**For Immediate Release:**

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**FORM A 2009 CORPORATION OR LLC NOW FOR ADDED PROTECTION NEXT YEAR**

*Business owners who form 2009 entities now will save time and gain liability protection*

**Madison, WI** – October 9, 2008 – www.bizfilings.com – Although it may be too late for sole proprietors to gain the tax advantages of forming an LLC or corporation in 2008, it’s not too early to begin adopting these changes for 2009.

Converting a sole proprietorship to a [Limited Liability Company](http://www.bizfilings.com/products/llc.asp) ([LLC](http://www.bizfilings.com/products/llc.asp)) or corporation provides tax advantages and personal liability protection to a company’s owners. Switching a sole proprietorship to a corporation, for example, may qualify a business for a Small Business Tax Deduction with an annual tax credit of 16 percent on the first $200,000 of taxable income; can result in self-employment tax savings; and may provide a number of other income and tax advantages.

“When converting a sole proprietorship to a [corporation](http://www.bizfilings.com/products/incorporate.asp) or LLC, timing is a consideration,” said Karen Kobelski, general manager for BizFilings. “If you change your entity at the very end or very beginning of a new year, you can simplify reporting by putting all or most of the income and expenses on one return for the entity in existence for most of the year.” Otherwise, when you set up a new entity, she said you need multiple returns in the same calendar year–one for the sole proprietorship and a second one for the new entity.

A popular reason for forming new entities after Jan. 1 of a new year is to avoid state reporting or franchise fees for the current year, especially when the new entity is inactive. There are usually no tax consequences upon transforming a business from a sole proprietorship to an LLC or corporation. The changeover is essentially a tax-free reorganization. You contribute assets of the sole proprietorship to the new entity in exchange for an ownership interest in the LLC or corporation. Tax attributes of those assets also carryover.

October through January are THE busiest months of the year for state filing offices. That is why individuals forming a corporation or LLC during this time often experience excessive delays.

To help business owners minimize delays and reorganize their business structure for the upcoming year, [business incorporation services](http://www.bizfilings.com/products/incorporate.asp) leader [BizFilings](http://www.bizfilings.com) offers a “delayed filing” service to customers placing an order by phone at (800) 981-7183. Under this option, BizFilings processes the order in 2008 and puts it in a queue for filing with the state on or after Jan. 1, 2009.

**ABOUT BIZFILINGS**BizFilings (www.bizfilings.com) is the Internet leader in providing incorporation and related services to business owners. Bizfilings professionally forms corporations, limited liability companies (LLCs), and nonprofits faster than anyone else. Its rush service makes it possible to file a corporation or LLC in as little as 24 hours.

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