

Limited liability companies, limited liability partnerships



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www.oregon.gov/DOR

Certain businesses operating in Oregon may organize as limited liability companies (LLCs). This form of business is available to you if you are required to be licensed as a professional in this state, unless your regulatory board prohibits you from doing so.

Characteristics of an LLC

The LLC business form has characteristics of both a corporation and a partnership. It is sometimes referred to as a "hybrid" form of business. With an LLC:

- Limited liability is available to the members, similar to that provided to corporate shareholders.
- Flexible allocation of income and loss among members is similar to partnership allocations.
- Management of the LLC may take various forms. All members, some members, or nonmembers of the LLC may manage the business.
- LLCs are treated the same for state tax purposes as for federal tax purposes.
- The number and the type of members is not restricted (for example, sole proprietors, individuals, trusts, corporations, partnerships, etc., may all be members of an LLC).
- A second class of membership is allowed.
- The member's interest basis includes the member's share of the LLC's debt.

How to file

Oregon LLCs and foreign LLCs doing business in Oregon are taxed and classified the same as for federal income tax purposes. Oregon follows federal tax treatment.

- LLCs that choose to be taxed as corporations file the same forms as corporations (Form 20 excise tax or Form 20-I income tax).
- LLCs with two or more members who choose to be taxed as partnerships, file using the same form as partnerships (Form 65).
- A single-member LLC that chooses to be taxed as a sole proprietor files federal Schedule C, Schedule E, or Schedule F with their individual income tax return.

For specific questions on workers' compensation coverage requirements for LLCs, contact the Oregon Workers' Compensation Division in Salem at

503-947-7810, toll-free from an Oregon prefix at 1-800-452-0288, or www.oregon.gov/DCBS.

Contact the Oregon Department of Employment in Salem for information on how LLCs are treated under Oregon's unemployment insurance laws. Call 503-947-1488, select "5" from the menu, and ask for a status examiner. The Department of Employment's website is www.oregon.gov/EMPLOY.

For information on organizing an LLC, contact the Corporation Division of the Secretary of State's office in Salem at 503-986-2200, or go to www.filinginoregon.com.

Limited liability partnerships

Oregon professionals may organize and practice in limited liability partnerships (LLPs). Professionals include but are not limited to accountants, architects, attorneys, chiropractors, dentists, landscape architects, naturopaths, licensed nurse practitioners, psychologists, physicians, podiatrists, radiologic technologists, and licensed real estate appraisers.

The personal liability of professionals in LLPs remains the same as professionals practicing in professional corporations or limited liability companies.

For information on organizing an LLP, contact the Corporation Division of the Secretary of State's office in Salem at 503-986-2200 or go to www.filinginoregon.com.

Taxpayer assistance

General tax information www.oregon.gov/DOR
Salem 503-378-4988
Toll-free from an Oregon prefix 1-800-356-4222

Asistencia en español:

Salem 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617
Toll-free from an Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.