

# CA Paralegal Services Provides Updates On Incorporating In California

IRVINE, CALIFORNIA, UNITED STATES, August 19, 2022 /EINPresswire.com/ -- Thousands of businesses incorporate in California each year, the process to incorporate a business is easy, however, if done incorrectly could cost a business suspension and/or penalties. The main reason why someone wants to incorporate a business is to separate personal assets from business liabilities. CA Paralegal Services has updated its process to quickly and accurately go through the process.

The process is simple:

1. Choose a business name
2. File Articles of Incorporation
3. Appoint Registered Agent
4. Prepare Corporate Bylaws
5. Appoint Directors & Hold Board Meeting
6. Issue Stock
7. File Statement of Information
8. Comply with Tax Requirements



**CA PARALEGAL SERVICES**  
CA Paralegal Services

Janet O'Neal, the owner of CA Paralegal Services, stated, "There are several benefits that come with [incorporating a business](#). For example, most business owners can protect themselves from personal liability and build credibility by having Inc. or LLC after their company name." Others include:

Liability – Incorporating a business allows owners to segregate and protect their personal assets. Starting a business gives owners limited liability for business debts and obligations. If a company is unable to pay a debt, the creditor can require the owner to pay the outstanding debt. When a

company is incorporated, a creditor can only attack the company to the extent that the shareholder has invested in the company (unless fraud is involved). Incorporation allows companies to make business decisions without taking a huge risk.

Taxes – There are several tax advantages to starting a small business. A corporation can avoid double taxation by choosing the tax status of Subchapter S. Incorporation also reduces a company's chance of being audited by the IRS. Sole proprietors tend to understate their income and are subject to strict scrutiny by the IRS.

Credibility – By getting your company involved, you can build credibility in your industry. Starting a small business can help build a professional identity.

"It should be noted there are some disadvantages of incorporating a California corporation in another state," continued Ms. O'Neal. Some of these include, "additional fees - If a California corporation is formed in another state, there may be double filing fees." A corporation must pay filing fees to the Secretary of State where it does business and pay Secretary of State fees where it is incorporated. If a California corporation is incorporated in another state, it must still register as a foreign corporation in California. In addition, a company also incurs the additional annual fees for a registered agent in the state of incorporation if it does not have a physical location there. These fees are typically several hundred dollars per year.

Ms. O'Neal continues, "additional franchise taxes may come up." When a company is incorporated in another state like Nevada, the company must pay annual franchise taxes in both states - the state where it actually does business, such as California, and the founding state. For example, if your business is located in California but you are incorporated in Nevada, you must pay the California annual franchise tax of at least \$800 plus the annual Nevada franchise tax.

There may be "additional reporting requirements, this can become cumbersome and expensive," continued Ms. O'Neal. If you reside in another state, you have two levels of reporting requirements and must meet reporting requirements for both states. For example, if you incorporated your company in Nevada but are physically located in California, your company would need to comply with both Nevada and California reporting requirements.

Incorporating into another state may not be beneficial for your California business. Ultimately to do business in California, you'll need to do it the way California wants you to do it.

CA Paralegal Services is a woman-owned business with headquarters in Irvine, CA, and Fresno, California - with operations throughout Orange County and Fresno County. For more information, visit [www.CAParalegalServices.com](http://www.CAParalegalServices.com). "The [paralegal near me](#)".

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