COOKS ACCOUNTING SOLUTIONS LLC

Your Texas LLC Formation & Compliance Guide

2026 Edition | From big ideas to a properly structured business



COOKS
ACCOUNTING SOLUTIONS LLC.

Start smart. Stay compliant. Build something that lasts.
A practical, client-friendly guide to Texas LLC formation, business tax setup, and what comes next.

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A Little Legal Talk Before We Get Started

Because starting an LLC is exciting, but the paperwork still has to be right.

First things first: congratulations on taking steps toward building your business! Whether you are launching a new idea or finally making that side hustle official, I love that for you. Now, before you start naming yourself CEO, ordering business cards, and adding “Founder” to every bio, let us make sure the foundation is solid.

This guide is for general education and planning. It is not individualized legal, tax, accounting, or financial advice, and it does not create an accountant-client, attorney-client, or other professional engagement with Cooks Accounting Solutions LLC. Every business is different. Your ownership, operations, industry, location, and tax elections can change the requirements.

State and federal rules, fees, deadlines, and exemptions can change. We make a reasonable effort to provide current information, but you should verify requirements with the appropriate agencies and consult qualified professionals before filing or making decisions. Cooks Accounting Solutions LLC is not a law firm and does not provide legal representation. Our accounting and tax services are governed by a separately executed engagement agreement.

One more thing: An LLC is not a magic wand. It does not automatically eliminate taxes, guarantee a refund, protect you from every liability, or mean you can run personal errands through the business account. (Nice try, though.) Keep good records, maintain your filings, and do not confuse “I formed an LLC” with “I completed my compliance checklist.”

The CAS promise: We believe in building businesses with clarity, integrity, and intention. Think of this guide as your starting map, not a substitute for advice tailored to your business.

01 | Build the Foundation

01 Choose a compliant business name

Your name must satisfy Texas Secretary of State rules and be distinguishable from existing entities and reservations. Check availability through SOSPortal, and separately review domain and trademark concerns. A preliminary search is not final approval.

02 Appoint a Texas registered agent

Choose a Texas resident or eligible business entity authorized to serve. The agent must consent in writing or electronically. Maintain a qualifying physical Texas registered-office address where legal papers can be delivered during business hours; a mailbox-only address is not sufficient. Your LLC cannot be its own agent.

03 File Form 205, Certificate of Formation

File with the Texas Secretary of State using SOSPortal or the available mail/in-person methods. The standard state filing fee is $300, excluding applicable processing or service charges. Identify your registered agent, initial managers or members, organizer, initial mailing address, and required formation details. Decide whether the LLC is member-managed or manager-managed.

04 Put your company agreement in writing

Texas generally does not require an LLC company agreement to be filed, but a written agreement is strongly recommended, including for sole owners. Address ownership, management, contributions, voting, profit distributions, and what happens when an owner exits or dies.

CAS Note: Forming your LLC is a legal step. Choosing how the LLC is taxed is a separate decision. A single-member LLC is generally disregarded for federal income tax unless an election changes its classification.

02 | Get Ready to Operate

05 Apply for your EIN, when needed

After the state approves your LLC, apply directly through the IRS. The EIN itself is free. Many LLCs need an EIN for employees, certain tax filings, banking, or state requirements. Some single-member disregarded LLCs with no employees or excise tax obligations may not need one for federal purposes.

06 Separate your money

Open a dedicated business bank account, establish bookkeeping, and consider a business credit card. Keep business and personal transactions separate. This helps bookkeeping and supports the distinction between owner and company; it does not guarantee liability protection.

07 Check licenses, local rules, and sales tax

Confirm city and county permits, industry licenses, zoning, and occupational requirements. A Texas sales tax permit generally applies when selling taxable goods or services. The state permit has no application fee, although a bond could be required. Texas state sales tax is 6.25%, with local taxes up to a combined 8.25%.

08 Set up payroll and contractor processes

If you hire employees, review federal and state employer requirements, payroll registration and withholding, worker classification, new-hire reporting, and workers' compensation decisions. Collect appropriate taxpayer information from contractors before payments.

Business-owner reality check: A polished logo and an EIN are great. But they do not replace a business bank account, accurate books, or the filings due after launch.

03 | Stay Compliant Year After Year

Texas Franchise Tax & Public Information Reporting

Texas LLCs generally fall within the franchise tax system. For 2026 and 2027 report years, the no-tax-due threshold is $2,650,000 of annualized total revenue. Entities at or below the threshold generally do not file a No Tax Due Report, but they must still file the applicable Public Information Report (PIR) or Ownership Information Report (OIR). Annual franchise tax filings are generally due May 15, or the next business day when that date falls on a weekend or holiday.

Federal income tax classification

LLC status does not determine one universal income tax return. A single-member LLC is usually a disregarded entity; a multi-member LLC is usually treated as a partnership unless another classification is elected. A qualifying LLC may elect corporate or S corporation tax treatment when appropriate. Review the tax consequences before choosing.

Beneficial Ownership Information (BOI) update

As of November 2026, entities formed in the United States, including domestic Texas LLCs, are exempt from federal FinCEN BOI reporting under the current rule. Certain foreign-formed entities registered in the United States may still have obligations. Monitor future changes.

Keep your details current

Update registered agent or office changes with the Secretary of State, maintain accurate ownership records, renew licenses, file sales tax returns when required, and monitor state tax notices. Filing an LLC and keeping an LLC in good standing are two different jobs.

Do not ignore the PIR. “I didn’t owe franchise tax” is not the same as “I had nothing to file.” Missing required filings can lead to notices, penalties, and possible forfeiture.

04 | Your CAS Business Launch Checklist

☐ Name checked with SOSPortal; domain and trademark considered

☐ Registered agent selected and consent obtained

☐ Form 205 filed and formation approved

☐ Company agreement drafted or reviewed

☐ EIN obtained, if needed

☐ Business bank account opened

☐ Bookkeeping software and records organized

☐ State or local permits and sales tax evaluated

☐ Payroll and contractor procedures set up, if applicable

☐ Franchise tax and PIR/OIR due dates added to calendar

☐ Insurance and professional risks reviewed

☐ Entity tax classification and S corporation eligibility reviewed

Questions to discuss before you launch

Who owns this company? How will you pay yourself? Will you have employees or contractors? Will you collect sales tax? What financial systems and compliance support will you need?

Let’s build more than a business name. Let’s build a foundation designed for growth, compliance, and your long-term goals.

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Official Resources & References

These official sources support the updated filing and compliance guidance. Checked November 9, 2026. Always confirm the latest requirements before taking action.

Texas Secretary of State — Form 205 and filing instructions

https://www.sos.state.tx.us/corp/instructions/205.shtml

Texas Secretary of State — Filing options and SOSPortal

https://www.sos.state.tx.us/corp/options.shtml

Texas Comptroller — Franchise tax and filing requirements

https://comptroller.texas.gov/taxes/franchise/

https://comptroller.texas.gov/taxes/franchise/filing-requirements.php

Texas Comptroller — Sales tax permits

https://comptroller.texas.gov/taxes/sales/faq/permit.php

IRS — Employer Identification Number

https://www.irs.gov/businesses/employer-identification-number

IRS — Single-member LLC tax treatment

https://www.irs.gov/businesses/small-businesses-self-employed/single-member-limited-liability-companies

FinCEN — Beneficial Ownership Information

https://www.fincen.gov/boi

A CAS reminder: Good businesses are not built on paperwork alone. Start with the right foundation, keep the books clean, and know when to ask for strategic support.