



US LLC

Guide



US LLC

The US LLC is the most favorable entity for location independent Online Business Owners, Freelancers and Investors. It is both tax and cost efficient.

An LLC, or Limited Liability Company, is a tax flexible business structure that offers full liability protection to its owners. Tax flexible, in this context, refers to an LLC's ability to make a classification election with the IRS. It can, in other words, **choose how it wants to be taxed**.

For example, it can elect to be treated as a disregarded entity (flow-through entity), a partnership, a corporation, a trust etc. This election is made when the LLC first applies for an EIN (at registration) but can be amended at any time, if needed.

When an LLC is owned by non-US residents, it will usually be most beneficial to elect to have the LLC treated as a **disregarded entity** (if it has one owner) or a **partnership** (if it has multiple owners). Both classifications allow for the flow-through of profits, meaning that the LLC itself is never liable to tax.

The owners are instead responsible for reporting their own share of the profits, and paying any applicable tax, according to their own circumstances. This last part is key, because it means that if no work is performed while physically in the US (and thus no US sourced income generated), no income will have to be reported in the US by non-US resident LLC owners (and no US tax return filed).

In other words, an LLC owned entirely by non-US residents, with no physical operations in the US, that elects to be treated as a disregarded entity or a partnership, **will not have to pay any US taxes** in most cases (nor will its owners).

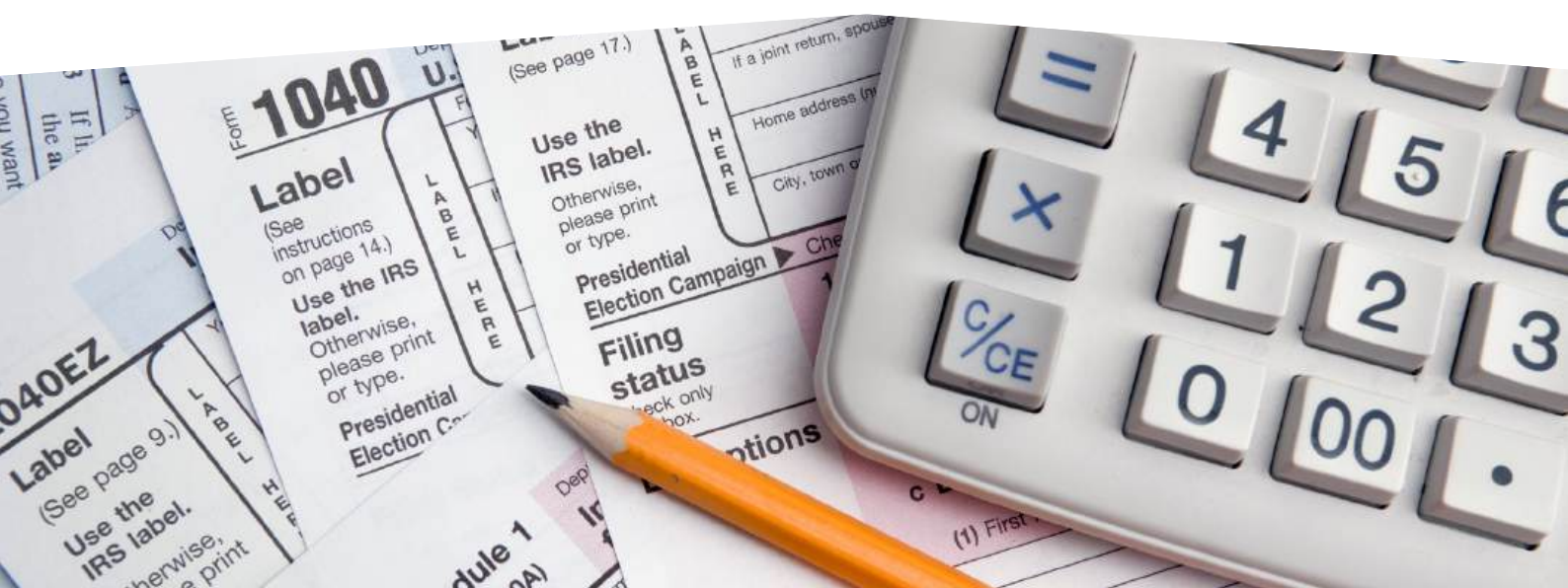


Taxation

An LLC set up by us, owned by a US Non-Resident, will be treated as a disregarded entity. With no physical operations in the US, it will not be liable to US taxation nor will its owner be required to file a US tax return. In most cases, **form 5472** will have to be filed however, to report the transactions that occurred between the LLC and its owner (sales, business expenses etc are not usually reportable).

The US LLC works as a so called pass-through entity (no direct tax liability for the LLC in the absence of significant U.S. operations or ownership). The Company itself will not become subject for tax, but all the profits just get passed through to the beneficiary. Tax obligations for LLC members are determined by their country of (tax) residence.

By strategically combining your US LLC with the right residency setup, you can achieve **complete tax freedom**. If you reside in a zero-tax country or have no tax obligations anywhere, the profits from your LLC remain entirely yours—without losing a cent to the taxman. This is the ultimate loophole that savvy entrepreneurs use to legally escape the global tax trap.





What to avoid to pay no CIT

An LLC treated as a disregarded entity, owned by a non-US resident, with physical operations in the US, will be liable for US taxation on the profits from said physical operations and its owner will be required to file a US tax return (form 1040NR, in most cases). Form 5472 will also have to be filed.

An LLC treated as a partnership (More than 2 members), owned by non-US residents, with no physical operations in the US, will not usually be liable to US taxation but will be required to file a partnership return in the US (form 1065, along with a number of additional schedules). Form 5472 does not have to be filed in this case.

An LLC treated as a partnership, owned by non-US residents, with physical operations in the US, will be liable for US taxation on the profits from said physical operations and its owners will be required to file individual US returns in addition to the LLC itself being required to file a US partnership return (form 1065, along with a number of additional schedules). Form 5472 does not have to be filed in this case.

It is important to keep in mind that while your LLC may not be liable to tax in the US, it may be liable to tax in other countries (your country of residency, most likely). To learn about how taxation works when it comes to foreign registered entities, such as US LLCs, read our guides on place of management rules and CFC rules.





Banking

The US really shines when it comes to banking, there are a tremendous number of options and the quality of the products is unrivaled anywhere in the world.

An LLC owned by non-residents will be able to remotely open accounts with fintech services and banks like Wise, Mercury, Revolut, Relay and more. If travel to the US is possible, you will be able to open accounts with the national banks (Chase, Citi, Bank of America, TD etc) and many regional banks and credit unions.

An LLC owned by non-residents can also open accounts with payment services such as Stripe and PayPal. If you plan to rely on those services, it will be a good idea for the LLC owner(s) to apply for an ITIN as it will prevent the types of account closures you may have read about online.

It is also possible to apply for US credit cards, for both personal and business use. We have many guides covering this in our insiders club.

The process for opening business bank accounts is straightforward but requires the registered manager's proof of identity.

Yearly Compliance & Filings

Transactions between the LLC and its foreign related parties (members and beneficial owners) must be reported every year via information return 5472. An annual report must also be filed with the state government (not applicable to NM). In most cases, there is no need to register for sales tax. All of the above is handled by us as part of our business registration service.





Naming your LLC:

Selecting a distinctive and compliant name for the LLC is a critical step. This involves checking the availability of the proposed name in the state's business registry to avoid legal issues and ensure exclusivity. We assist in this process, offering to verify name availability and suitability.

Choosing the Right State:

We facilitate the formation of LLCs in various states, emphasizing Florida, New Mexico, Wyoming, and Delaware. Each state offers unique benefits, with Florida often recommended for its established infrastructure, conducive business environment, as well as great reputation. New Mexico and Wyoming are highlighted for their anonymity provisions.

Defining Business Purpose and Structure:

Articulating the LLC's business purpose is essential for legal and operational clarity. Deciding between a member-managed or manager-managed structure impacts how the business is run and how it appears in the public registry. The choice affects ownership visibility and potential privacy levels.





Most POPULAR STATES

Florida

Florida is a land of sunshine, gorgeous art deco architecture, delicious cuban food and white sand beaches. It also is home to Walt Disney World, the largest space launch complexes in the US (Kennedy Space Center and Cape Canaveral Space Force Station), a major cruise port in Miami, a thriving agricultural sector and some of the countries most famous cities and towns.

The above makes Florida an interesting state to register an LLC in, especially for businesses that require a more “prestigious” registration than New Mexico or Wyoming, despite higher costs and a lack of privacy benefits.

New Mexico

New Mexico is mostly desert, with a few mountainous and forested areas. It also is one of the least populated states in the Union.

As is common in this part of the country, privacy and lax regulations are an important part of the culture and this is reflected in the NM LLC Act. For one, there are no requirements to ever file the ownership details with the registry, allowing the owners to keep their personal details off public records.

There is also no need to obtain a business license if the LLC has no local operations, meaning that in the context of location independence the LLC registration itself is usually sufficient.

Wyoming

Home to Yellowstone, Wyoming is the perfect embodiment of the American West. Spectacular mountain ranges, cowboys, small-town vibe, remoteness... it has it all in spades. Wyoming also has some of the best privacy laws in the world, especially when it comes to business and assets protection. To make things even better, it is one of the few US states with no corporate taxation. The above makes it one of the best states in which to register an LLC as a non-US resident. Most of our clients incorporate the US LLC in Wyoming.



YOUR ROADMAP TO ZERO TAX WITH GFS



1. CLEAN EXIT IN THE CURRENT TAX RESIDENCE COUNTRY

Get rid of your apartment (not always needed), close business, cancel apartment/house lease etc.



2. ESTABLISH A US LLC ~ 1-2 BUSINESS DAYS

Choose a state and the primary business activity of the company. Also decide whether the US LLC shall be a Single Member or Multimember LLC.



4. OPEN BANK ACCOUNTS ~ 1-2 DAYS

Open accounts with fintech (banks) such as Mercury, Wise, Revolut and Relay.



3. GET THE EMPLOYER IDENTIFICATION NUMBER (EIN) ~ 7-10 DAYS

An EIN is the US LLC's tax ID number issued by the IRS. It is needed to open bank accounts for the US LLC.



LIVE TAX-FREE

Don't stay more than 183 days in one country. Keep your time ideally under 4-5 months. Avoid strong personal or economic ties to any country.



ADVANCED BANKING (OPTIONAL)

Open accounts at major banks (Chase, Citi, BofA) and in alternative jurisdictions like Panama with our help and guidance. For US banks: Physical visit needed



CREDIT CARD - GAMECHANGER RECOMMENDED

Optionally, get US credit cards for high limits, top rewards, and strong global acceptance.





WHY US CREDIT BUILDING

Who hasn't heard about it? US Entrepreneurs only flying first class, completely for free, just by using their card for expenses they'd have anyway? Yes you heard right!

US Credit Cards are by far the most attractive ones globally, with the most superior points and rewards system. Comparing foreign cards e.g. European ones to US Cards is like Night & Day.

The good news? Through the right system and strategy even US non residents can start to build a US Credit Score and ultimately get their hands on one of these precious cards.

The following conditions make US Cards a no-brainer for any international entrepreneur and business owner:

- Up to 5x points per \$
- No foreign exchange fees
- Extremely high welcome bonuses
- Attractive Redemption Options: Way better Transfer Conditions
- Huge Credit lines / High limits



US CREDIT BUILDING COMMON CHALLENGES



Lack of a Social Security Number (SSN)



No Established US Credit History



KYC (Know Your Customer) Requirements



Currency Exchange Fees and Foreign Transaction Costs



High Initial Barriers for Premium Cards



Each challenge might seem like a roadblock, but with the right approach, they can be easily overcome.

Let us guide you through the solutions and unlock the benefits of US credit cards.



FAQ

- What is a US LLC?
 - A US LLC is a company structure with liability protection and pass-through taxation. For non-US residents with no US activity, it can mean 0% US tax — a simple, effective tool for global entrepreneurs.
- How can I pay 0% tax with a US LLC?
 - A US LLC gives liability protection with pass-through taxation. For non-US residents without US effectively connected income (substance in the US, meaning Office, Employees, Contractors etc.), it can mean 0% US tax.
- Is this legal and compliant with the IRS?
 - Yes — this is a 100% legal structure recognized by the IRS, used by thousands of global entrepreneurs. The key is doing it right — and we help you do exactly that.
- Can I open bank accounts remotely?
 - Yes — as a non-US resident, you can access a wide range of Fintech banking options (like Mercury, Revolut, Relay or Wise). For US High Street Banks such as Chase, Citi and Bank of America a physical visit in a branch is needed. Moreover, we can help to open accounts remotely in Panama and Dubai for a US LLC for example.
- Can I use Stripe, PayPal, and other platforms with a US LLC?
 - Absolutely — a US LLC gives you full access to platforms like Stripe, PayPal, Wise, and others that require a trusted business setup. For PayPal you need a so called Individual Taxpayer Identification Number (ITIN). You will also need it to get US credit cards. We can also assist you to get it.
- What documents /information do you need from me?
 - Your 1) Passport copy, 2) Current address, 3) company names, 4) Primary business activity



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+49 151 2022 6998



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