



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 (Office, Employees, Contractors or members performing the work 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).

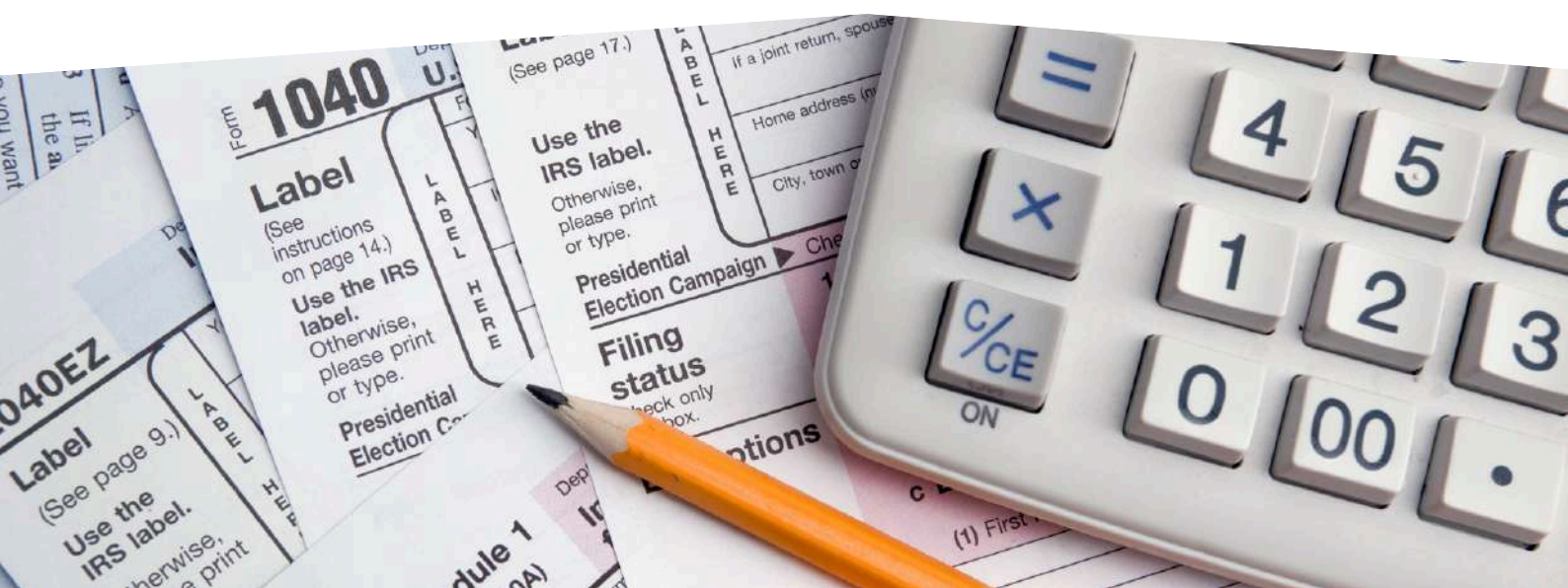


Taxation

We can set up an LLC as a disregarded entity and also as a C Corp. However, most of our US nonresident clients choose a to establish 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 together with form 1120** 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.



Case Studies



By strategically combining a US LLC with the right tax residency, it is possible to create an extremely tax-efficient setup.

In the right circumstances, very low effective tax rates — even **0% possible** - can be achieved. The following case studies show how this can work.



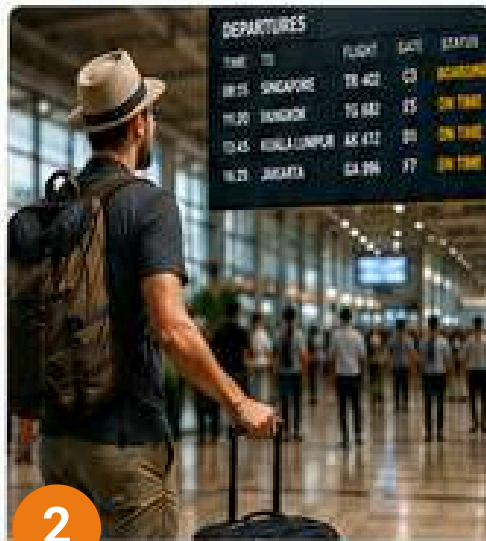
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Case Study 1 - Territorial Tax Countries

Living in a country with a territorial tax system, such as Paraguay or Panama.

If you are officially tax resident there and meet the legal requirements, foreign-sourced income is generally tax-free.

This typically includes income from clients located abroad as well.



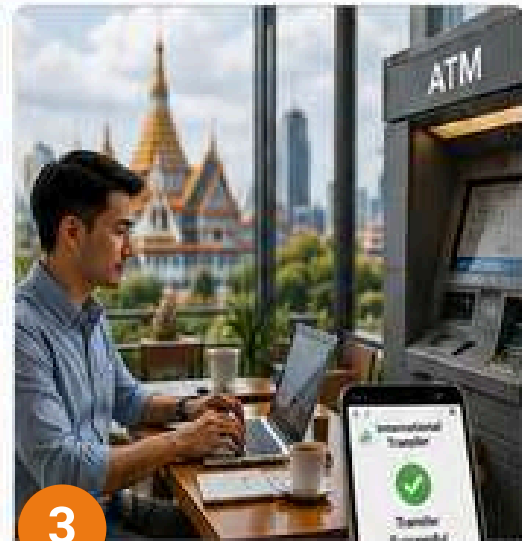
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Case Study 2 - No Tax Residency via the 183-Day Rule and no strong ties

In many countries, tax residency begins only if you spend more than 183 days there per year and if you have strong ties there (e.g. children going to school, in some countries long-term rental contract etc.). In many contracts, however, a long-term rental contract alone does not lead to tax residency.

If, for example, you spend around four months per year in Thailand, four months in Vietnam, and four months in Indonesia, you may legally avoid becoming tax resident in any of these countries.

Combined with a US LLC as a disregarded entity, a 0% tax setup can become possible.



3

Case Study 3 - Remittance-Based Taxation

Living in a country with a remittance-based tax system, such as Thailand. In this setup, only money brought into the country is typically taxed - for example through ATM withdrawals, bank transfers, or card spending.

Funds that remain abroad usually stay tax-free. In practice, a permanent establishment of the LLC in Thailand is generally not created. Many of our clients have even officially registered as tax resident in Thailand, and tax advisors repeatedly confirm that only remitted money is taxable there.

With high income and only a small portion brought into the country, the effective tax rate can become very low.

Some clients pay 5% tax or less effectively.



What to avoid to pay no Corporate Tax

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.





Can I have US clients or US customers without being taxable in the US?

Many are asking us whether just having US clients or customers creates a US tax liability for a non-US resident who owns a US LLC treated as a disregarded entity.

In most cases, the answer is no. Simply selling to US customers, invoicing US clients, receiving payments from US companies, or using a US LLC for commercial credibility does not automatically make the income taxable in the United States.

The key question is not where the customer is located, but **whether the LLC or its owner is carrying on a trade or business in the United States and whether the income is effectively connected with that US trade or business**. In practical terms, US tax liability usually becomes relevant where there is real US substance or activity, such as physical operations in the United States, services performed from within the United States, employees or dependent agents in the United States, a US office, or other business infrastructure that creates effectively connected income.

For a non-US resident operating a US LLC as a disregarded entity from outside the United States, **with no physical operations, no US office, no US employees, and no services performed in the United States**, income from US clients will generally not by itself create US federal income tax liability. The LLC may still have annual compliance obligations, especially Form 5472 together with pro forma Form 1120, but this is an informational filing requirement and does not automatically mean that US income tax is due.

Therefore, the important distinction is this: having US customers is usually not the problem. Having effectively connected income, US-based operations, or meaningful business substance inside the United States is what can create US tax exposure.





Other Compliance Requirements - 1

Besides tax filings, a US LLC may also have certain ongoing compliance obligations that should not be ignored. These requirements are usually straightforward, but missing them can create unnecessary issues, penalties, or administrative problems.

FBAR – Foreign Bank Account Report

One important compliance requirement is the FBAR, also known as FinCEN Form 114. This is not an income tax return, but an informational report for foreign financial accounts.

A US LLC may have an FBAR filing obligation if it has a financial interest in, or signature authority over, foreign financial accounts and the total value of all such accounts exceeds USD 10,000 or the equivalent (e.g. in EUR) at any time during the calendar year.

This can include foreign bank accounts, brokerage accounts, securities accounts, certain investment accounts, or other financial accounts held outside the United States. The threshold is calculated based on the combined maximum value of all foreign accounts, not per account. This means that even if no single account exceeds USD 10,000, an FBAR may still be required if the combined value of all foreign accounts goes above that amount at any point during the year.

For US LLCs owned by non-US residents, this is especially relevant if the LLC opens accounts outside the United States, for example with foreign banks, EMI providers, brokerage platforms, or other financial institutions. The FBAR is filed electronically with FinCEN and is separate from the LLC's tax filings.





Other Compliance Requirements - 2

Registered Agent Renewal

Every US LLC must maintain a registered agent in its state of formation. The registered agent is the official contact person or service provider that receives legal notices, government correspondence, and official documents on behalf of the company.

For non-US residents, this is especially important because the LLC needs a reliable point of contact inside the United States. The registered agent must usually have a physical address in the state and be available during normal business hours.

The registered agent service is typically renewed once per year. If the registered agent is not renewed, resigns, or is no longer active, the LLC may lose good standing with the state or miss important legal or administrative notices. Therefore, keeping the registered agent active is one of the basic ongoing requirements for maintaining the LLC properly.

Annual Report

Many US states require LLCs to file an Annual Report or similar periodic report. This is usually a simple state filing that confirms or updates basic company information, such as the company name, registered agent, business address, managers, members, or other state-level records.

The Annual Report is not a tax return. It is mainly an administrative filing used by the state to keep company records up to date. Depending on the state, it may be due every year, every two years, or on another regular schedule, and it may come with a state filing fee.

However, New Mexico is one of the states where LLCs are not required to file an Annual Report. This makes ongoing maintenance simpler compared to many other states. For a New Mexico LLC, the main recurring state-level requirement is usually keeping the registered agent active and renewed.



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 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.

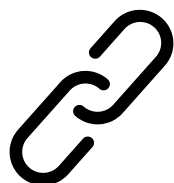
There is also no need to obtain a business license if the LLC has no local operations, meaning that in the context of location independence the LLC registration itself is usually sufficient.

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) ~ 3-5 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



HOW TO QUALIFY AS A US NON-RESIDENT



OBTAIN AN ITIN (INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER)

If you don't have a Social Security Number (SSN), many US banks will accept an ITIN instead.



ESTABLISH A US ADDRESS

A US mailing address is required by most banks. Ensure this address can receive your credit card and statements.



CHOOSE THE RIGHT CREDIT CARD ISSUER

Focus on issuers that are known to accept non-residents, such as:
AmEx, Chase, BofA, Citi, Capital One and Discover



OPEN A US BANK ACCOUNT

While not always required, having a US bank account can increase your chances of approval and simplify payments.



BUILD YOUR US CREDIT PROFILE

If you are new to US credit, start small, e. g. start with secured cards (deposit)



PREPARE FOR KYC

Banks will require documentation (e. g. Passport, Proof of US address, ITIN etc.) to verify your identity and financial situation.



APPLY STRATEGICALLY

Avoid applying for multiple cards at once; this can hurt your approval chances. It can make sense to start with secured cards first.

If you are interested in U.S. Credit Building as a Nonresident please reach out to us or check the below mentioned page.



+49 151 2022 6998



U.S. Credit Building Page: [Click Here](#)



info@globalfreedomssolutions.com



US CREDIT BUILDING COMMON CHALLENGES



Lack of a Social Security Number (SSN)



No Established US Credit History



KYC (Know Your Customer) Requirements (e.g. address)



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 (e.g. Consulting)



SET UP YOUR US LLC WITH US

Contact Us Today



+49 151 2022 6998



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info@globalfreedomssolutions.com