

## INFORMATION ON FORMING A LIMITED LIABILITY COMPANY UNDER THE ALASKA LIMITED LIABILITY ACT

On June 8, 1994, the Alaska Limited Liability Act was signed into law. The effective date for the Act is July 1, 1995.

To determine the tax liability of a Limited Liability Company, the Internal Revenue Service looks at four characteristics of the formed LLC:

1. the limited liability of the members or manager;
2. the ability of the LLC to freely continue its existence upon the death, insanity, bankruptcy, retirement, resignation, or expulsion of any of its members;
3. centralization of management of the LLC; and
4. the ability of the members to freely transfer their right to participate in the affairs of the LLC to another person.

If the formed LLC meets one or two of these characteristics, it will be treated as a partnership for tax purposes. If the LLC meets more than two of these characteristics, it will be treated as a corporation for tax purposes by the state and the IRS.

When organizing an LLC, Alaska's Act allows members to choose characteristics which best fit the business purposes of the entity. It is assumed that most persons forming an LLC will desire to form in such a manner as to receive the more favorable tax treatment of a partnership. Since limited liability is a default provision of the Act, **extreme caution must be exercised in drafting the articles of organization** to avoid adopting characteristics which would cause the LLC to be treated as a corporation for tax purposes.

**IF YOU REQUIRE ADDITIONAL ASSISTANCE IN COMPLETING ARTICLES OF ORGANIZATION, OR ARE UNCLEAR OF THE TAX LIABILITIES INVOLVED, YOU ARE STRONGLY ADVISED TO SEEK THE SERVICES OF AN ATTORNEY OR CERTIFIED PUBLIC ACCOUNTANT. THE DIVISION IS PROHIBITED FROM RESPONDING TO QUESTIONS REGARDING THESE MATTERS.**

An operating agreement is not required to be submitted with articles of organization, therefore the Division will not file operating agreements. However, members of an LLC are encouraged to adopt and maintain an operating agreement relating to the management and regulation of the business affairs of the LLC. The articles of organization may restrict or eliminate the power of members to adopt, amend, or repeal an operating agreement.

### INSTRUCTIONS ON FILING ARTICLES OF ORGANIZATION

Two or more persons may form a Limited Liability Company by signing and delivering to the Division an original and exact copy of Articles of Organization.

The submitted documents must be in dark, legible print on paper which is no larger than 8 1/2 by 11 inches. The articles should contain a statement that they are being filed under the provisions of the Alaska Limited Liability Act.

**The fee for submitting Articles of Organization is \$250.00 (\$150.00 filing fee plus a biennial license fee of \$100.00).**

Effective July 1, 1995, Alaska Statute 10.50.075 requires that the articles of organization set out:

1. The name of the limited liability company. The name must contain the words "limited liability company," or the abbreviation LLC. The name may not contain the words "city" or "borough," or otherwise imply that the company is a municipality. The name must be distinguishable from trade names on record with the Division of Banking, Securities, and Corporations.
2. The purpose for which the LLC is organized, and a list of the standard industrial classification (S.I.C.) codes that best describe its activities (see S.I.C. code list attached)
3. The name, mailing address, and physical address (if different from the mailing address) of the LLC's registered agent. The agent must be an individual or a corporation authorized to transact business in this state.
4. If applicable, the latest date or event which will cause the LLC to cease to exist.
5. Whether the business affairs of the LLC are to be conducted by the members or by a manager, and the names and addresses of those members or the manager (names and addresses optional).
6. If applicable, the terms and conditions restricting a member's ability to assign their interest in the LLC.

The Articles of Organization must be signed by two or more individuals acting as organizers of the LLC.

Send the original and an exact copy of the Articles of Organization together with a check or money order in the amount of \$250.00 payable to the State of Alaska to:

The State of Alaska  
Division of Banking, Securities, and Corporations  
P.O. Box 110808  
Juneau, AK 99811-0808  
Telephone (907) 465-2530

Please allow two weeks for processing.

Please do not write in this space (for Department use only)

**ARTICLES OF ORGANIZATION**  
(Domestic Limited Liability Company)

The undersigned persons acting as organizers of a limited liability company under the Alaska Limited Liability Act (AS 10.50) hereby adopt the following Articles of organization:

**Article I**

The name of the limited liability company (LLC) is:

\_\_\_\_\_

**Article II**

The purpose for which the LLC is organized:

\_\_\_\_\_

S.I.C. codes:    Primary \_\_\_\_\_    Secondary \_\_\_\_\_    Other \_\_\_\_\_

**Article III**

1. The name of the LLC's registered agent:

\_\_\_\_\_

2. The mailing address of the LLC's registered agent (if the mailing address is a P.O. Box, include a physical address):

\_\_\_\_\_

**Article IV**

If applicable, the latest date or event which will cause the LLC to cease to exist:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Article V

1. The affairs of the LLC will be: (check one box)

\_\_\_\_\_ ☐ Managed by the members. ☐ Managed by a manager.

2. If applicable, the name and address of the LLC's manager (optional):

\_\_\_\_\_

3. If member managed, the names and address of the LLC's members (optional):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attach list of additional names if necessary.

## Article VI

If applicable, the terms and conditions restricting a member's ability to assign their interest in the LLC.

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attach additional pages if necessary.

Attach additional pages for including any other optional articles governing the regulation of the internal affairs of the LLC, consistent with this Act and the laws of this state.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Name

Address

\_\_\_\_\_

\_\_\_\_\_

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# BUSINESS CLASSIFICATION CODES

## **AGRICULTURE, FORESTRY, & FISHING**

- 0100 Agricultural Production - Crops
- 0200 Agriculture Production - Livestock
- 0700 Agricultural Services (inc. Animal, Livestock & Landscape Services)
- 0800 Forestry
- 0900 Fishing, Hunting & Trapping

## **MINING**

- 1000 Metal Mining
- 1200 Coal Mining
- 1300 Oil & Gas Extraction
- 1400 Mining and quarrying of nonmetallic minerals, except fuels

## **CONSTRUCTION**

- 1500 General Building Contractors
- 1600 Heavy Construction other than Building Construction Contractor
- 1700 Special Trade Construction Contractors
- 1800 Construction Exempt from Contractor Licensing

## **MANUFACTURING**

- 2000 Food & Kindred Products
- 2100 Tobacco Manufacturers
- 2200 Textile Mill Products
- 2300 Apparel & Other Textile Products
- 2400 Lumber & Wood Products, except Furniture
- 2500 Furniture & Fixtures
- 2600 Paper & Allied Products
- 2700 Printing & Publishing and Allied Industries
- 2800 Chemicals & Allied Products
- 2900 Petroleum Refining and Related Industries
- 3000 Rubber & Misc. Plastics Products
- 3100 Leather & Leather Products
- 3200 Stone, Clay, Glass & Concrete Products
- 3300 Primary Metal Industries
- 3400 Fabricated Metal Products except Machinery and Transportation Equipment
- 3500 Industrial/Commercial Machinery & Computer Equipment
- 3600 Electronic & Other Electrical Equipment & Components, exc. Computer Equipment
- 3700 Transportation Equipment
- 3800 Measuring, Analyzing & Controlling Instruments, Photographic, Medical & Optical Goods; Watches & Clocks
- 3900 Misc. Manufacturing Industries

## **TRANSPORTATION & PUBLIC UTILITIES**

- 4000 Railroad Transportation
- 4100 Local & Suburban Transit & Interurban Highway Passenger Transportation
- 4200 Motor Freight Transportation & Warehousing

- 4300 U.S. Postal Service
- 4400 Water Transportation
- 4500 Air Transportation
- 4600 Pipelines, Except Natural Gas
- 4700 Transportation Services
- 4800 Communication
- 4900 Electric, Gas & Sanitary Services

## **WHOLESALE TRADE**

- 5000 Wholesale Trade - Durable Goods
- 5100 Wholesale Trade - Nondurable Goods

## **RETAIL TRADE**

- 5200 Building Materials, Hardware, Garden Supply & Mobile Home Dealers
- 5300 General Merchandise Stores
- 5400 Food Stores
- 5500 Automotive Dealers & Gasoline Service Stations
- 5600 Apparel & Accessory Stores
- 5700 Home Furniture, Furnishing & Equipment Stores
- 5800 Eating & Drinking Places
- 5900 Miscellaneous Retail

## **FINANCE, INSURANCE & REAL ESTATE**

- 6000 Depository Institutions
- 6100 Nondepository Credit Institutions
- 6200 Security & Commodity Brokers, Dealers Exchanges & Services
- 6300 Insurance Carriers
- 6400 Insurance Agents, Brokers, and Service
- 6500 Real Estate
- 6700 Holding & Others Investment Offices

## **SERVICES**

- 7000 Hotels, Rooming Houses, Camps & Other Lodging Places
- 7200 Personal Services
- 7300 Business Services
- 7500 Auto Repair Services & Parking
- 7600 Misc. Repair Services
- 7800 Motion Pictures
- 7900 Amusement & Recreation Services
- 8000 Health Services
- 8100 Legal Services
- 8200 Educational Services
- 8300 Social Services
- 8400 Museums, Art Galleries & Botanical & Zoological Gardens
- 8600 Membership Organizations
- 8700 Engineering, Accounting, Research, Management & Related Services
- 8800 Private Households (Domestic Services)
- 8999 Misc. Services, not elsewhere classified (Artists, Writers)