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Company formation in the United States

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Company formation in the United States



Flag



Great Seal

Common form	LLC or corporation (state law) [1]
Registry	Secretary of State of the chosen state [2]
Minimum capital	None [1]
Directors	LLC: members or managers; corporation: usually 1 director [1]
Local director	Not required; a registered agent in the state is [1]
Corporate tax	21% federal, plus state tax in most states [3]
VAT / sales tax	No VAT; state and local sales taxes [3]
Typical timeline	Same day to a few weeks, by state [2]
Tax treaties	about 60 treaties [10]
Currency	US dollar (USD)

In short: To set up a company in the United States, most founders form an LLC or corporation, registered with the Secretary of State of the chosen state. [2] Minimum capital: none. Corporate tax: 21% federal, plus state tax in most states. Registration: same day to a few weeks, by state (as of November 2026).

In the United States, companies are created under **state law**, not federal law. Founders choose a state of formation, which need not be where they do business. **Delaware** is the usual choice for venture-backed corporations, while many small businesses form an LLC in their home state. A company that operates in another state must usually register there as a *foreign* entity too.

Business structures

Most founders in the United States form an LLC or corporation, registered with the Secretary of State of the chosen state. [2] Other forms are listed below.

- **Limited liability company (LLC)** – flexible, pass-through taxation by default
- **C corporation** – standard for raising venture capital
- **S corporation** – a tax election for eligible small corporations
- **Sole proprietorship and partnerships** – no separate entity, or a simple one

Requirements

Minimum share capital in the United States (2026): none. Directors required: LLC: members or managers; corporation: usually 1 director. Local resident director: not required; a registered agent in the state is. [1]

- A name that is distinguishable from existing entities in the state.

- A registered agent with a physical address in the state.
- Articles of organization (LLC) or articles of incorporation (corporation).
- An operating agreement (LLC) or bylaws (corporation), kept internally.
- An Employer Identification Number (EIN) from the IRS for tax and banking.

Registration process

Typical time to register a company in the United States (2026): same day to a few weeks, by state. [2] The usual steps are:

1. Choose the state and the entity type.
2. Appoint a registered agent in that state.
3. File the formation document with the Secretary of State and pay the state fee.
4. Adopt an operating agreement or bylaws, and issue membership interests or shares.
5. Obtain an EIN from the IRS, then any state tax registrations and local licences.

Taxation

The corporate tax rate in the United States in 2026 is 21% federal, plus state tax in most states. [3] Standard VAT or sales tax: no VAT; state and local sales taxes. [3]

Tax	Rate and notes
Federal corporate tax	21% for C corporations; LLCs and S corporations are pass-through by default
State corporate tax	Varies by state; a few states, such as South Dakota and Wyoming, levy none
Sales tax	No federal VAT; sales tax is set by states and localities

Ongoing compliance

Annual compliance in the United States: Most states require an annual or biennial report and fee; Delaware also charges an annual franchise tax. Companies file federal and state tax returns and must keep a registered agent at all times. [2]

Recent changes

FinCEN's final rule of August 2026 permanently exempted companies created in the United States from beneficial ownership (BOI) reporting under the Corporate Transparency Act. Foreign companies registered to do business in the US must still report their non-US beneficial owners, and some states, such as New York, have their own disclosure rules.

Double tax treaties

The United States has about 60 treaties, including the 1973 US–USSR convention, which the US still applies to several former Soviet states. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-residents

Dividends	Interest	Royalties
30%	30%	30%

Without a treaty, the US withholds 30% on dividends, interest and royalties paid to foreign persons. Much portfolio interest is exempt under domestic law. The US has not signed the OECD multilateral instrument (MLI), and its treaties contain limitation-on-benefits clauses.

Treaty rates on payments from the United States

Maximum withholding tax the United States charges on payments to a company resident in each country covered by this wiki. Where several rates are shown (for example 5/15%), the lower rate applies only if conditions are met, usually a minimum shareholding, a holding period or a qualifying recipient such as a bank or pension fund.

Recipient's country	Dividends
Cyprus	5/15%
Estonia	5/15%
Georgia (Covered by the 1973 US–USSR convention, which gives no dividend reduction. Georgia's own treaty list does not include the US.)	30%
Germany	0/5/15%
Ireland	5/15%
Netherlands	0/5/15%
Poland	5/15%
Singapore	*No comprehen*
Switzerland	5/15%
United Arab Emirates	*No income tax*
United Kingdom	0/5/15%

Rates from PwC Worldwide Tax Summaries (reviewed 4 September 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules; check the treaty text before relying on a rate.

Frequently asked questions

How long does it take to register a company in the United States?

Typical registration time in the United States: same day to a few weeks, by state (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in the United States?

Minimum share capital in the United States: none (as of November 2026).

What is the corporate tax rate in the United States in 2026?

The corporate tax rate in the United States in 2026 is 21% federal, plus state tax in most states. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in the United States?

Yes. There is no nationality requirement for shareholders. Local director rule in the United States: not required; a registered agent in the state is.

How many tax treaties does the United States have?

The United States has about 60 treaties, including the 1973 US–USSR convention, which the US still applies to several former Soviet states. Among the 12 countries whose treaty rates this wiki tabulates, there is no comprehensive treaty with the United Arab Emirates or Singapore.

What withholding tax applies to dividends paid from the United States?

The United States withholds 30% on dividends under domestic law, often reduced by a tax treaty. See the treaty table in the Double tax treaties section.

Do I have to form my company in Delaware?
No. You can form in any state. Delaware suits companies planning to raise venture capital, but a small business that operates in one state is often simpler to form there, because otherwise it must also register in its home state as a foreign entity.

Does a US LLC need to file a beneficial ownership (BOI) report?
No. Since FinCEN's final rule of August 2026, companies created in the United States are exempt. Foreign companies registered to do business in the US must still report non-US beneficial owners.

Can a non-US resident own a US LLC?
Yes. There is no citizenship or residency requirement for owners or managers. A registered agent in the state is required, and an EIN is needed for banking and tax filings.

Official registries and resources

- Register your business (U.S. Small Business Administration)
- Delaware Division of Corporations
- Get an Employer Identification Number (IRS)
- Beneficial ownership information (FinCEN)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Canada
- Company formation in Mexico
- Company formation in Brazil
- Company formation in Chile
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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