The entity and election sheet

What you filed, what names your tax ID, what you have elected, and how money has left the business.

THE CONCEPT Separate legal entity — The business is a second person. What it is and how it is taxed are two separate questions, and everything it pays you is a transfer between the two of you.

Read the lesson: pmhnpmba.com/fellowship/the-entity

COMPOSITE · ONE OWNER, ONE ENTITY

THE ELECTION IS A FORM. THE REDO IS A YEAR.

ELECT · SAME ENTITY	1 FORM
DISSOLVE · REFILE · NEW EIN	480
PAYER GATE · AGAIN	17 WK
CONTRIBUTION AT RISK	33,099

The worked composite from the lesson. Yours goes in the blanks.

AXIS ONE — WHAT THE BUSINESS IS

What you filed
LLC, PLLC, PC, sole proprietor, nothing yet ______

The state, and the date ______

Registered agent, and what it costs a year ______

EVERYTHING THAT NAMES YOUR TAX ID

WHAT	WHAT IS NAMED ON IT	WOULD HAVE TO BE REDONE
Bank account		
Type 2 NPI		
Payer enrolments		
Payer contracts		
Malpractice policy		
Lease		
Merchant / card processing		
EHR and vendor contracts		

That list is your switching cost, and it is the only honest reason to get the first axis right early.

AXIS TWO — HOW IT IS TAXED

What you have elected
Default, S-corp, not sure ______

The date of the election ______

Salary run through payroll, this year $ ______

Distributions, this year $ ______

Reimbursements, this year $ ______

Two axes, not one menu. The second one is decided again every year and changes nothing about the first. Take this page to an accountant — the four filled boxes are what makes that hour worth paying for.

THE MONDAY RULE

Write your tax identifier at the top of a page. Underneath it, list everything that names it: the bank, every application and contract, the type 2 NPI, the malpractice policy, the e-prescribing registration. **That list is your switching cost, and it only ever grows.** If form or election is still undecided, decide both this week while the list is short. If you have already filed, the answer is almost never to start again.