MFA INSIGHTS · SAVE THIS

FORM 2553

LLC taxed as an S corp: *who qualifies, and by when*

Keep your LLC. Change how it's taxed. Profit passes to the owners, who pay tax on their own returns.

WHO QUALIFIES	FORM 2553
Shareholders Individuals, certain trusts and estates	100 or fewer
Nonresident alien shareholders Not allowed	None
Classes of stock Distributions follow ownership	One
Owner who works in the business Paid before distributions	Wages

KEY DATES FOR 2027	CALENDAR YEAR
File Form 2553 for a Jan. 1, 2027 start Or any time during 2026	Mar. 15, 2027
Form 1120-S due Or Form 7004 by this date	Mar. 15, 2027
NJ: CBT-100S due Schedule SJC, no separate election	Apr. 15, 2027
Rough saving: $120k profit, $60k salary Before payroll and filing costs	~$7,800

BEFORE YOU FILE

1
Run the numbers
Compare tax saved with the added costs.

2
Set reasonable pay
Wages for the work you do, on payroll.

3
File Form 2553
All shareholders consent. Mind the Mar. 15 date.

4
File each year
Form 1120-S plus your state S corp return.

Merchant
FINANCIAL ADVISORY

mfa-advisory.com · (347) 205-4468

General information, not tax advice. Facts checked Oct. 26, 2026.