



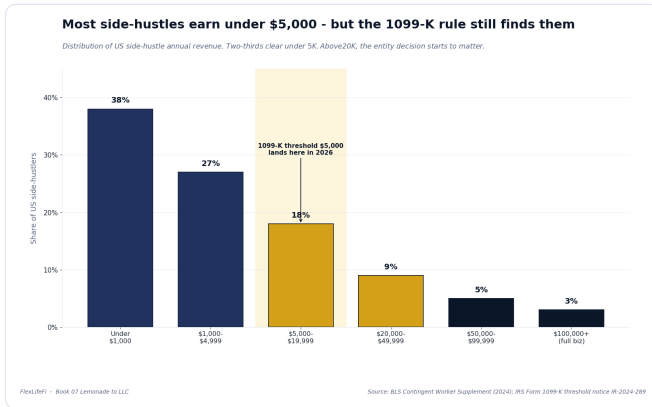
Lemonade to LLC

*Test it. Register it. Scale it.
The 30-day side-hustle-to-LLC playbook.*

THE BIG PICTURE

Most side-hustles never become a business. Yours can - in 14 days.

*A side-hustle becomes a business the day a customer can sue you. Three numbers tell you what to do. Three phases tell you when. **Test** the idea. **Register** the entity. **Scale** the engine.*



Two-thirds of US side-hustles clear under \$5,000 a year. The 1099-K reporting rule lands at exactly that line in 2026.^{1,2}

Three numbers worth memorizing

\$5,000

1099-K THRESHOLD (2026)

PayPal, Venmo, Stripe - all third-party apps now report sellers to the IRS. Cross \$5K and the form goes out.²

\$0

COST OF AN EIN AT IRS.GOV

Free, 24/7, online, ten minutes. Anyone charging \$79+ is a middleman.^{3,4}

\$165

KANSAS LLC FILING FEE

\$160 online / \$165 by mail. One-business-day turnaround.⁵

TEST

Phase 1 · Validate before you register

30-day MVP, \$0 marketing test, kill criteria. Page 3.

REGISTER

Phase 2 · LLC, EIN, bank, tax

Articles of Organization, IRS, business banking, sales tax. Page 4.

SCALE

Phase 3 · S-corp, hires, credit

S-corp election, contractors, automated bookkeeping, business credit. Page 5.

PHASE ONE · TEST

TEST · validate before you register.

A side-hustle without paying customers is a hobby. The first job: one customer paying full price within 30 days. No marketing dollars yet. No formal filing yet. The SBA validate-first guidance is unambiguous on this point.⁶

SOURCE-DIRECT

What the SBA + IRS Pub 583 actually say

SBA: "Validate before you spend." A free SCORE mentor pressure-tests the idea in one call.^{6,7}

IRS Pub 583: Sole prop is automatic. No filing. But every business dollar still goes on Schedule C - hit by 15.3% self-employment tax.^{8,9}

SCORE: Free 1-on-1 retired-executive mentors. **800-634-0245.**⁷

1 | Run a 30-day MVP.
Pick one product, one price, one channel. Sell to ten warm leads inside 30 days. Track conversions. The Lean Startup playbook in one paragraph.⁶

2 | Run a \$0 marketing test.
Post in three communities you already belong to. DM ten people from your phone contacts. If nobody bites for free, paid ads will not save you.⁶

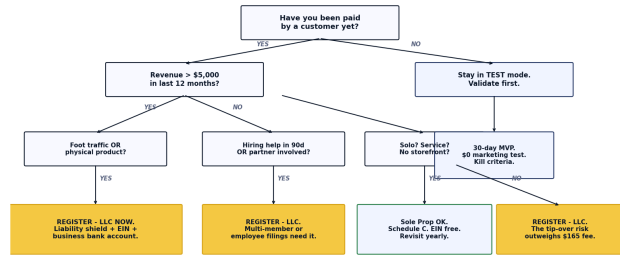
3 | Run a price-anchor test.
Charge full price on the first sale. Half-price discounts hide the real demand signal. If customers wont pay \$80, \$40 doesnt prove anything.

4 | Track customer-acquisition cost (CAC).
Total spend divided by paying customers. Target: CAC at or below one-third of first-year revenue per customer. Above that, the math doesnt work.⁶

5 | Write your kill criteria.
Write it before you start. "If by Day 30 I have under 3 paying customers, I shut it down." Written in advance. Not negotiable.

Should you register? A 60-second decision tree.

TEST first. REGISTER once revenue, customers, or risk crosses any one of these lines.



Rule of thumb: register the LLC the moment ANY of revenue, customers, or risk crosses a line. \$165 is cheap insurance.

FlexLifeFi · Book 07 Lemonade to LLC Source: SBA Choose a Business Structure (88a) gov 2020; IRS Pub 583; KS Sec of State sos.ks.gov

Most TEST-phase hustles still belong as a sole prop on Schedule C. Cross any line - revenue \$5K+, foot traffic, employees, partners - and the LLC pays for itself.^{5,6,8}

Quick Check 1 - Test

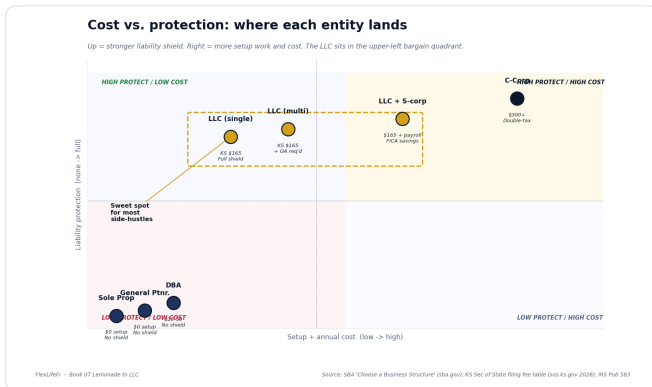
- 1. You have a paying customer but \$0 in marketing spend yet. Are you a sole proprietor, automatically?**
- 2. Your Etsy store earned \$4,800 last year. Will Etsy send you (and the IRS) a 1099-K?**
- 3. Name three signals that move you from TEST to REGISTER.**

Answers in the footer of page 4 →

PHASE TWO · REGISTER

REGISTER · the legal chassis under the engine.

Once revenue, customers, or risk crosses any line on page 3, the entity choice is real. The IRS and SBA agree on a four-part menu. Sole prop. LLC. S-corp election. C-corp.^{10,11}



LLC sits in the upper-left bargain quadrant - full shield for \$165.^{5,11,12}

1 | Sole prop vs. LLC vs. S-corp.
Sole prop: \$0 setup, no shield. LLC: \$165 in , full shield, taxed like a sole prop. S-corp: a tax election on top of the LLC. Above ~\$40K net it pays.^{10,11,13}

2 | Apply for the EIN at IRS.gov.
Free. Online. 24/7. Ten minutes. Form SS-4. Save the CP 575 confirmation letter - banks demand it.^{3,4}

3 | Open a business bank account.
The fastest way to lose the LLC shield is to mix money. Bring CP 575, Articles, OA, and ID. Chase, Bank of America, Mercury, Relay all work.¹⁴

4 | Register for Kansas sales tax.
Sell taxable goods in ? Register at **ksrevenue.gov**. State 6.5% + local. combined 9.5%. File monthly or quarterly.¹⁵

5 | Set up basic bookkeeping.
QuickBooks Online (\$35+), Wave (free), or Xero. Connect the new bank account. Customize chart of accounts once. 30 minutes a month closes the books.^{16,17}

COACH LEDGER SAYS



The "piercing the veil" test

A judge will ignore your LLC shield if you treat the LLC like a wallet. Three rules. Separate bank. Separate card. Separate signature ("Member, [LLC name]"). Do those three and the wall holds.¹⁴

THE TRAP

Paying \$79-\$299 for a "free" EIN.

The top three Google ads for "get EIN" are middlemen. They charge for what the IRS gives away. Use IRS.gov directly.^{3,4}

Quick Check 2 - Register

1. How much does the IRS charge for an EIN?
2. Your LLC pays your home electric bill "just this once." Which rule did you just break?
3. combined sales-tax rate?

Page 3 answers: 1) Yes - sole prop the moment you accept money; 2) Starting tax year 2026 the new \$5,000 threshold means yes; under the old \$20K rule, no; 3) revenue \$5K+, foot traffic / physical product, hiring or a partner.^{2,8}

PHASE THREE · SCALE

SCALE · turn the LLC into a real engine.

Once net income clears \$40K – and a \$80K+ trajectory is in view – four moves separate the registered hustle from a real, hire-able, fundable business.¹³

1 | Elect S-corp tax treatment (Form 2553).

File by March 15 of the year you want it effective. Splits income two ways: reasonable W-2 salary (FICA applies) and distributions (no FICA). Saves 15.3% on the distribution slice.^{13,18}

2 | Hire contractors before employees.

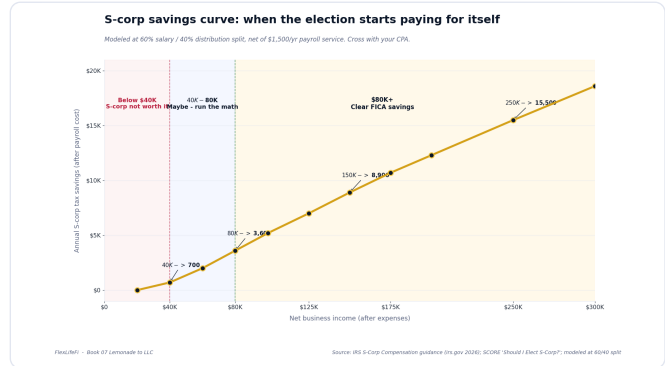
1099 contractors do project work. \$600+ a year triggers Form 1099-NEC. W-2 employees add payroll tax, workers comp, unemployment. Kansas requires WC at \$20K of payroll.^{19,20}

3 | Automate bookkeeping.

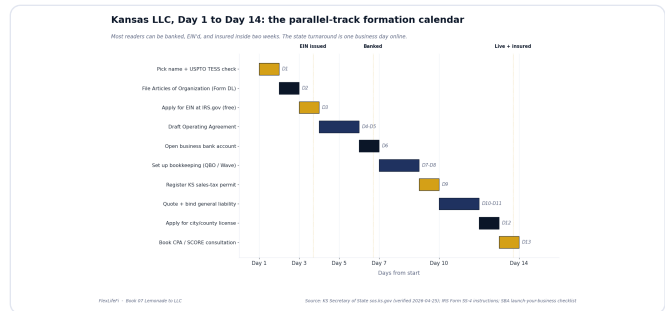
QuickBooks Online + Gusto + a monthly close-list. The first hour you outsource is the bookkeeper, not the marketer. Frees the founder for revenue work.^{16,21}

4 | Build business credit on its own track.

D-U-N-S number from D&B (free). Three Net-30 vendor accounts (Uline, Quill, Grainger). One business card after 90 days. Cross-ref Book 11.^{22,23}



The S-corp election starts paying for itself around \$40K and gets material above \$80K.^{13,18}



Day 1 → Day 14 formation Gantt: most tasks overlap; the bank account waits on the EIN.^{3,5}

"Bought Elenas Lavanderia at 708 Commercial as the sellers sole prop. Month one, a customer slipped – lawyers letter to our home. That night we filed the LLC. \$165. Fifteen minutes. Year three, net hit \$92K – filed Form 2553. Saved \$7,800 FICA year one. Same playbook, three phases."

SUSANNE WILDY · ELENAS LAVANDERIA ·

TOP COMPANIES & REFERENCE

Eleven phone numbers worth saving today.

Every URL and phone in this table verified by web search on 2026-04-25. Federal agencies and standards bodies first. No call-center traps.

Resource	Web	What to ask for	Phone
IRS - Business & Specialty Tax	irs.gov.	EIN issues, S-corp Form 2553, Pub 583.	800-829-4933 ²⁵
IRS - EIN online portal	irs.gov/businesses/.../apply-for-ein-online.	Free EIN issuance (24/7)	(online only) ³
SBA	sba.gov.	Choose-a-structure tool, license lookup, lender match.	800-827-5722 ²⁶
SCORE	score.org.	Free retired-executive mentor, business plan review.	800-634-0245 ⁷
Kansas Sec of State	sos.ks.gov.	LLC filings (Form DL), annual reports, name search.	785-296-4564 ^{5,27}
Kansas Dept of Revenue	ksrevenue.gov.	Sales-tax permit, withholding accounts.	785-368-8222 ¹⁵
USPTO Trademark Center	uspto.gov.	TEAS filing, free TESS trademark search.	800-786-9199 ²⁸
LegalZoom	legalzoom.com.	OA templates, registered-agent, attorney consult.	800-773-0888 ²⁹
Stripe Atlas	stripe.com/atlas.	Delaware C-corp + bank account package.	(web/chat only) ³⁰
ZenBusiness	zenbusiness.com.	LLC formation + registered-agent service.	844-493-6249 ³¹
Intuit QuickBooks	quickbooks.intuit.com.	Online plans, payroll add-on, sales tax automation.	800-446-8848 ¹⁶

HOW TO USE THIS PAGE

Free first. Paid second.

Step 1. Use IRS.gov, SBA.gov, sos.ks.gov, ksrevenue.gov directly. Every step is free or under \$200 from the source. **Step 2.** Call SCORE (800-634-0245) for a free mentor before paying for advice. **Step 3.** Use LegalZoom or ZenBusiness only if you need an attorney-reviewed OA or trademark filing.^{3,5,6,7}



COACH LEDGER

"The IRS doesnt sell EIN's. The state doesnt sell LLCs through middlemen. Free is free when the URL ends in .gov."^{3,2}

ACTION PLAN · 30 DAYS

Six dated steps. One month. From hustle to LLC.

Tear this page out. Tape it to the fridge. Most readers can clear all six in two weekends and a Monday lunch break. -specific links throughout - adjust for your state if elsewhere.

DAY 1 **Pick the name + run two free searches.**
Kansas Business Center name search (kansas.gov/businesscenter) and USPTO TESS (uspto.gov/trademarks/search). Both free. Both critical.^{27,28}

DAY 3 **File the LLC + get the EIN.**
Articles of Organization (Form DL) at sos.ks.gov: \$160 online, same-day approval. Then EIN online at [IRS.gov](https://irs.gov): free, 10 minutes, immediate. Save both PDFs.^{3,5}

DAY 7 **Open the business bank account.**
Bring CP 575 + Certificate of Organization + Operating Agreement signature page + photo ID. Chase Business Complete or Mercury or Relay. Order the debit card.¹⁴

DAY 14 **Register sales tax + set up bookkeeping.**
ksrevenue.gov for the Kansas sales-tax permit if you sell taxable goods. QuickBooks Online or Wave for the books. Connect the bank account.^{15,16}

DAY 21 **Quote and bind general liability insurance.**
Three quotes: Hiscox, Hartford, Progressive Commercial. \$400-\$800/yr typical. Match the effective date to the LLC start date.²⁴

DAY 30 **Book the SCORE mentor or CPA consult.**
SCORE is free at 800-634-0245. A small-business CPA is \$200-\$400 for a starter session. Three questions: should I elect S-corp, what deductions am I missing, what's my quarterly tax estimate?⁷



COACH LEDGER S 
**"Tag every dollar b
lands."**

The wall is built one transaction at a time. Business in. Business out. Never personal. Then the wall holds.

14 days

REALISTIC TIMELINE

From idea to banked + EIN + insured. The 30-day plan adds the SCORE / CPA consult.

GLOSSARY & FAQ

Twelve terms. Six questions.

Glossary

EIN

Employer Identification Number. The IRS nine-digit business ID. Free at IRS.gov.³

LLC

Limited Liability Company. State-level entity that gives owners a liability shield without corporate paperwork.¹¹

S-corp election

Form 2553 election. Taxes an LLC or corp as a small-business corp. Splits pay into salary + distributions. Saves FICA.¹⁸

Pass-through entity

A business whose profits flow to the owners personal return. Sole prop, partnership, LLC, S-corp all qualify.¹⁰

Sole prop

Sole proprietorship. The legal default the moment you earn business income. No filing. No shield. Reports on Schedule C.^{8,9}

DBA

"Doing Business As." A county filing that lets a person or LLC use a different name.

Articles of Organization

The state filing that creates an LLC. In , Form DL.⁵

Operating Agreement

Internal LLC document. Spells out ownership, management, and profit distribution. Required by KS statute.³³

Registered Agent

The person or service that takes legal mail. Must have a Kansas street address.⁵

Disregarded entity

IRS term for a single-member LLC. Federally taxed as a sole prop on Schedule C.¹⁰

Reasonable Salary

The W-2 wage an S-corp owner must pay themselves. Standard: reasonable for services performed.¹⁸

1099-K

IRS form for sellers crossing \$5,000 in 2026. Reports payment-card and third-party network sales.²

FAQ

1. Do I need an LLC to start a business?

No. The moment you earn business income, you are a sole prop. The LLC adds the liability wall.^{8,11}

2. Can I form a Wyoming LLC to save money?

Almost never worth it. Live and earn in ? You must register the WY LLC as a foreign LLC. You pay both fees.³²

3. How much does an LLC cost year one ?

\$160 filing. \$0 EIN. \$0-\$100 registered agent. \$25-\$50 city license. \$400-\$800 GL insurance. Total: **\$600-\$1,200.**^{5,24}

4. When should I switch to an S-corp?

Around **\$40K** net. Clear win above **\$80K**. Below \$40K, payroll cost eats the savings. See chart on page 5.^{13,18}

5. Do I need a separate business credit card?

Yes. Using a personal card "and tagging later" is mixing. Mixing is the fastest way to lose your shield.¹⁴

6. What is the absolute minimum to keep an LLC alive?

File the Kansas Annual Report by April 15. Pay \$50. Pay any taxes owed. Miss the report two years and the state forfeits the LLC.^{5,34}

CROSS-REFERENCES & CITATIONS

Where every number came from.

Thirty-five sources, all verified 2026-04-25. Tier-1 (federal/regulatory/standards) lead; Tier-2 (industry leaders) follow.

READ NEXT

Book 09 – The 1099 Wealth Guide

Companion volume. Walks the S-corp election from the 1099 side with worked numbers at \$200K of net income.¹⁸

READ ALONGSIDE

Book 11 – Credit Mastery

Build the personal score to 740+ first. Then apply for the business cards. Then the business credit (D-U-N-S, Net-30 vendors) compounds on its own track.^{22,23}

FOR REAL-ESTATE READERS

Book 03 – Real Estate FI

If the side-hustle becomes the down payment on a rental, the rental sits in its own LLC. Book 03 covers the LLC-per-property model.

- Bureau of Labor Statistics, Contingent Worker Supplement, bls.gov/cps/cpsaat (2024).
- Internal Revenue Service, Form 1099-K reporting threshold notice IR-2024-289, irs.gov/newsroom (2024). \$5,000 threshold for tax year 2026.
- Internal Revenue Service, Apply for an Employer Identification Number (EIN) Online, irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online (verified 2026-04-25).
- Internal Revenue Service, Beware of EIN Filing Scams, irs.gov/businesses/small-businesses-self-employed/beware-ein-scams (2026).
- Kansas Secretary of State, Limited Liability Company filing fees and Form DL, sos.ks.gov/businesses/business-services/business-entity-formations.html (verified 2026-04-25). \$160 online / \$165 mail; \$50 annual report.
- U.S. Small Business Administration, Plan Your Business / Validate Your Idea, sba.gov/business-guide/plan-your-business (verified 2026-04-25).
- SCORE, Free Mentoring + Contact, score.org/contact-us - 800-634-0245 (verified 2026-04-25).
- Internal Revenue Service, Publication 583 - Starting a Business and Keeping Records, irs.gov/publications/p583 (2026).
- Internal Revenue Service, Self-Employment Tax (Social Security and Medicare Taxes), irs.gov/businesses/small-businesses-self-employed/self-employment-tax-social-security-and-medicare-taxes (15.3% combined rate).
- Internal Revenue Service, Single Member Limited Liability Companies, irs.gov/businesses/small-businesses-self-employed/single-member-limited-liability-companies - disregarded-entity treatment.
- U.S. Small Business Administration, Choose a Business Structure, sba.gov/business-guide/launch-your-business/choose-business-structure (verified 2026-04-25).
- National Conference of State Legislatures and individual Sec of State sites, LLC formation fees by state (2026 spot check: KS \$160, MO \$50, TX \$300, CA \$70 + \$800/yr franchise tax, WY \$100).
- SCORE, Should I Elect S-Corporation Status?, score.org/resource/blog-post/should-i-elect-s-corp-status (2025) - break-even commonly cited at \$40K-\$100K net.
- U.S. Small Business Administration, Limited Liability Company - Maintaining the Veil, sba.gov/business-guide/launch-your-business/choose-business-structure.
- Kansas Department of Revenue, Sales Tax Registration and Rates, ksrevenue.gov/businesstaxtypesales.html - main line 785-368-8222; state 6.5%, combined 9.5% (verified 2026-04-25).
- Intuit QuickBooks, QuickBooks Online Plans & Pricing 2026, quickbooks.intuit.com/online/-customer-service 800-446-8848 (verified 2026-04-25).
- Internal Revenue Service, Publication 538 - Accounting Periods and Methods, irs.gov/publications/p538.
- Internal Revenue Service, Form 2553 - Election by a Small Business Corporation, irs.gov/forms-pubs/about-form-2553; S Corporation Compensation, irs.gov/businesses/small-businesses-self-employed/s-corporation-compensation-and-medical-insurance-issues - reasonable-salary requirement.
- Internal Revenue Service, Independent Contractor (Self-Employed) or Employee?, irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee.
- Kansas Department of Labor, Workers Compensation Coverage Requirements, dol.ks.gov/workers-compensation - KS threshold \$20,000 annual payroll.
- Gusto, Pricing, gusto.com/product/pricing - Simple plan \$40/mo + \$6/employee (verified 2026-04-25); customer support 800-936-0383.
- Dun & Bradstreet, Get a D-U-N-S Number, dun.com/duns-number/get-a-duns.html - main line 800-234-3867.
- Nav, Best Net-30 Vendors for Building Business Credit, nav.com/blog/net-30-accounts/ - Uline, Quill, Grainger.
- U.S. Small Business Administration, Get Business Insurance, sba.gov/business-guide/launch-your-business/get-business-insurance; NAIC, Business Owners Policy (BOP) overview, content.naic.org/cipr-topics/business-owners-policy-bop.
- Internal Revenue Service, Business and Specialty Tax Line, irs.gov/help/contact-your-local-irs-office - 800-829-4933 (verified 2026-04-25).
- U.S. Small Business Administration, Contact SBA, sba.gov/about-sba/contact-sba - 800-827-5722 (verified 2026-04-25).
- Kansas Secretary of State, Contact Us, sos.ks.gov/general/contact-us.html - 785-296-4564 (verified 2026-04-25); Business Entity Search, kansas.gov/bess/flow/main.
- U.S. Patent and Trademark Office, Trademark Assistance Center, uspto.gov/learning-and-resources/support-centers/trademark-assistance-center - 800-786-9199 (verified 2026-04-25); Trademark Search (TESS), uspto.gov/trademarks/search.
- LegalZoom, Contact Us, legalzoom.com/contact-us - 800-773-0888 (verified 2026-04-25).
- Stripe Atlas, Atlas Overview, stripe.com/atlas (web/chat support; no public phone) (verified 2026-04-25).
- ZenBusiness, Contact, zenbusiness.com/contact - 844-493-6249 (verified 2026-04-25).

32. U.S. Small Business Administration, Should You Form an Out-of-State LLC?, sba.gov/blog/should-you-form-out-state-llc.

33. Kansas Statutes Annotated 17-7672 - operating agreements for Kansas LLCs.

34. Kansas Secretary of State, Annual Report Filing Requirements, sos.ks.gov/businesses/business-services/annual-reports.html - \$50 online; due April 15 for calendar-year filers.

35. National Association for the Self-Employed (NASE), Self-Employment Resources, nase.org (verified 2026-04-25).

Test it. Register it. Scale it.

Three phases. One weekend. The same federal forms. The same state portals. Used directly. For the price of \$165 and a Saturday.

Validate the demand. File the Articles. Get the EIN. Open the bank account. Stack the protections. Hand the book to the next side-hustler who needs it.

"We didnt wait for retirement to start living."

Educational content only - not financial, investment, tax, or legal advice. State filing rules, tax thresholds, and fees change. Consult qualified professionals before making financial decisions. Individual results will vary. URLs and phone numbers verified 2026-04-25 and may change after publication.