

How to Start an LLC in Hawaii

A Complete Step-by-Step Guide for Small Business Owners

#	Step	Cost	Time
1	Choose your LLC name	Free	1–2 days
2	Appoint a registered agent	\$0–\$150/yr	Same day
3	File Articles of Organization	~\$50	3–5 days online
4	Create an operating agreement	Free (DIY)	1–3 days
5	Get an EIN from the IRS	Free	Same day
6	Register for taxes & licenses	\$20–\$100+	1–2 weeks
7	File annual report & stay compliant	~\$12.50/yr	Ongoing

Total estimated startup cost: \$70–\$320 (one-time) + ~\$12.50/year ongoing

Forming an LLC in Hawaii is one of the best moves a small business owner can make. It separates your personal assets from your business debts, gives your business a professional identity, and offers flexible tax treatment. This guide walks you through every step — with detail, tips, and Hawaii-specific guidance including the state’s unique General Excise Tax (GET).

Quick Reference: Key Resources

Hawaii Business Express (file LLC, annual reports)	bizexpress.hawaii.gov
Hawaii DCCA Business Registration	cca.hawaii.gov/breg
Hawaii Tax Online (GET registration & filing)	hitax.hawaii.gov
IRS EIN Application (free)	irs.gov/EIN
Hawaii Dept. of Health (food permits)	health.hawaii.gov
SCORE Hawaii (free mentoring for small businesses)	score.org/hawaii
Small Business Development Center Hawaii	innovatehawaii.com/sbdc
Hawaii DBEDT	dbedt.hawaii.gov

This guide is for informational purposes only and does not constitute legal or tax advice. For advice specific to your business situation, consult a licensed Hawaii attorney or CPA.

Step 1 Choose Your LLC Name

Why Your Name Matters

Your LLC name is your legal identity in Hawaii. It appears on contracts, tax filings, bank accounts, and your business license. Choose something meaningful, searchable, and available — both legally and as a domain name if you plan to have a website.

Legal Requirements

- Must include “Limited Liability Company,” “LLC,” or “L.L.C.” — without this, the state will reject your filing
- Must be distinguishable from all other business names already registered in Hawaii
- Cannot include words like “bank,” “insurance,” or “trust” without special approval
- Cannot include words that imply a government affiliation (e.g., FBI, State, Treasury)

How to Check Name Availability

Before falling in love with a name, verify it’s actually available. Hawaii makes this easy through their online business portal.

- Go to bizexpress.hawaii.gov
- Click “Search Business Filings” and search your desired name
- Try variations — if your first choice is taken, slight changes (adding location, descriptor) often work
- Search also on the U.S. Patent and Trademark Office site (USPTO.gov) if you want trademark protection

Tip: Check if the .com domain is available at the same time using GoDaddy or Namecheap. Even if you don’t need a website right away, securing the domain is cheap (\$10–\$15/yr) and prevents others from using it.

Reserving Your Name (Optional)

If you’re not ready to file your LLC yet but found the perfect name, Hawaii allows you to reserve it for up to 120 days. File a Name Reservation application with the DCCA for a \$10 fee. This is optional but useful if you’re still preparing your paperwork.

Name search	Free (online at DCCA)
Name reservation (optional)	\$10 for 120 days
Domain registration (optional)	~\$10–\$15/year

Step 2 **Appoint a Registered Agent**

What Is a Registered Agent?

A registered agent (also called a statutory agent or resident agent) is the person or company designated to receive official legal and government documents on behalf of your LLC. This includes service of process (lawsuits), annual report reminders, and notices from the state of Hawaii.

Hawaii's Requirements

- Must have a physical street address in Hawaii — P.O. boxes are not accepted
- Must be available during normal business hours to receive documents
- Can be an individual (including yourself) or a registered agent service company
- Must consent to serve in this role

Your Three Options

Option 1: Be your own registered agent

If you have a physical business address in Hawaii, you can serve as your own registered agent. This is the cheapest option (free) but has a downside: your address becomes public record in the state's business database. If you work from home, that means your home address is publicly searchable.

Option 2: Use a trusted individual

A friend, family member, or business partner with a Hawaii address can serve as your registered agent — as long as they're reliable and will actually forward important documents to you promptly.

Option 3: Hire a registered agent service

Professional registered agent services (such as Northwest Registered Agent, ZenBusiness, or Incfile) handle all incoming legal documents and typically provide a dashboard to track filings. This is a good choice if you want privacy, if you travel frequently, or if you don't have a stable Hawaii address.

Tip: If you're operating out of your home in Nanakuli or anywhere on Oahu, hiring a registered agent service keeps your home address off the public record. Services typically cost \$49–\$150/year.

Serve as your own agent	Free
Professional registered agent service	\$49–\$150/year

Step 3 File Articles of Organization

What Are Articles of Organization?

The Articles of Organization is the official formation document you file with the State of Hawaii. Once approved, your LLC legally exists. Think of it as your LLC's birth certificate. In Hawaii, this is filed with the Department of Commerce and Consumer Affairs (DCCA), Business Registration Division.

What You'll Need to Include

- LLC name — exactly as it will appear on official documents
- Principal office address — your main business address in Hawaii
- Registered agent name and address — from Step 2
- Management structure — member-managed (owners run the business) or manager-managed (a hired manager runs it)
- Names of organizers — the person(s) filing (doesn't have to be an owner)
- Effective date — can be same-day or a future date

How to File

Hawaii strongly encourages online filing, which is faster and confirmed instantly.

- Online (recommended): Go to bizexpress.hawaii.gov, create an account, and complete the LLC formation wizard
- By mail: Download Form LLC-1 from the DCCA website, fill it out, and mail with a check to: State of Hawaii, DCCA, Business Registration Division, 335 Merchant Street, Honolulu, HI 96813
- In person: You can drop off paperwork at the Honolulu DCCA office

Processing Times

- Online filing: Typically approved within 3–5 business days; sometimes same-day
- Mail filing: 2–4 weeks
- Expedited processing: Available for an additional \$25 fee (online) — same-day or next-day approval

Tip: After filing online, save your Certificate of Organization (the approval document). You'll need it to open a business bank account and may need it for licenses and permits.

Standard filing fee	~\$50
Expedited processing (optional)	+\$25
Mail/in-person filing fee	~\$50

Step 4 Create an Operating Agreement

What Is an Operating Agreement?

An operating agreement is a private legal document that outlines the ownership structure and operating procedures of your LLC. Unlike the Articles of Organization (which is public), this document stays internal. Hawaii does not legally require it, but every LLC should have one — especially multi-member LLCs.

Why You Need One

- Proves your LLC is a legitimate separate entity (critical to protecting personal assets)
- Required by most banks to open a business checking account
- Prevents costly disputes between co-owners by spelling out rights and responsibilities upfront
- Specifies what happens if an owner wants to leave, passes away, or becomes incapacitated
- Can override Hawaii's default LLC rules, which may not fit your situation

Key Sections to Include

Ownership & membership: List each member (owner), their ownership percentage, and their initial capital contribution (how much money or assets they put into the business).

Management structure: Specify whether the LLC is member-managed (all owners have equal say) or manager-managed (a designated person).

Profit & loss distribution: How will profits and losses be divided among members?

Voting rights & decision-making: What decisions require a simple majority vs. unanimous?

Member changes: What happens if someone wants to sell their ownership stake?

Dissolution: Under what circumstances can the LLC be dissolved, and how will assets be divided when it is?

Tip: For a single-member LLC, an operating agreement is still important. It reinforces to courts that your business is a separate entity from you personally — which is the whole point of forming an LLC.

Watch out: Free templates are available at sites like SCORE.org and LegalZoom, but if you have multiple members or complex arrangements, consider having a Hawaii attorney review it. A one-time legal review can cost \$200–\$500 and can save much more in disputes later.

DIY using a template	Free
Online legal service	\$50–\$150
Hawaii attorney review	\$200–\$500 one-time

Step 5 Get an EIN from the IRS

What Is an EIN?

An Employer Identification Number (EIN) — also called a Federal Tax Identification Number — is a 9-digit number assigned by the IRS to identify your business for tax purposes. Think of it as a Social Security Number for your LLC. Even if you have no employees, you almost certainly need one.

Why You Need an EIN

- Required to open a business bank account (nearly every bank will ask for it)
- Required to hire employees or contractors
- Required to file federal and state taxes as a business
- Needed when applying for business licenses and permits
- Allows you to apply for business credit cards and financing
- Protects your personal SSN — you can use your EIN instead on business documents

How to Apply — It's Free and Fast

The IRS makes this process completely free and available online. Do not pay any third-party service to do this for you — it is unnecessary.

- Go to [IRS.gov/EIN](https://www.irs.gov/EIN) and click “Apply Online Now”
- Select “Limited Liability Company” as your entity type
- Answer questions about your LLC structure, purpose, and contact info
- Your EIN is issued immediately at the end of the application — print or save the confirmation
- Online application is available Monday–Friday, 7am–10pm ET

After You Get Your EIN

Once you have your EIN, open a dedicated business checking account right away. Mixing personal and business finances is one of the most common mistakes new business owners make — it creates accounting headaches and can jeopardize your LLC's liability protection.

Tip: Local Hawaii banks like First Hawaiian Bank, Bank of Hawaii, and Central Pacific Bank all offer small business checking accounts. Bring your EIN, Articles of Organization, and operating agreement when you go to open the account.

EIN application	Completely free via IRS.gov
Third-party EIN services	Unnecessary — avoid these

Step 6 Register for Hawaii Taxes & Licenses

Hawaii's General Excise Tax (GET)

This is the most important Hawaii-specific tax you need to understand. Hawaii does not have a traditional sales tax. Instead, nearly all business activity is subject to the General Excise Tax (GET). This applies to services, retail sales, rentals, and most other business activities.

GET Rates

- 4.0% — statewide rate for most business activities
- 4.5% — on Oahu (City and County of Honolulu adds a 0.5% surcharge)
- 0.5% — wholesalers and intermediaries selling to licensed resellers
- 0.15% — certain insurance commissions

Tip: Unlike mainland sales tax (which is added on top of the price and collected from the customer), the GET is technically a tax on the business. However, most businesses pass it on to customers by adding it to invoices or prices. You're allowed to do this — just be transparent about it.

How to Register for the GET

- Go to hitax.hawaii.gov (Hawaii Tax Online)
- Create an account and file Form BB-1 (Basic Business Application)
- The registration fee is \$20 — you'll receive a Hawaii Tax ID and your GET license
- You'll need to display your GET license certificate at your business location

Filing Your GET Returns

Once registered, you'll file GET returns regularly. Filing frequency depends on your annual GET liability:

- Monthly: If annual GET liability exceeds \$4,000
- Quarterly: If annual GET liability is \$2,000–\$4,000
- Semi-annually: If annual GET liability is under \$2,000

Other Licenses and Permits

Depending on your industry and location, you may need additional licenses. Common examples include:

Business Type	License/Permit Needed	Where to Apply
Food service / restaurant	Food establishment permit	Hawaii Dept. of Health
Contractor/builder	Contractor's license	DCCA — Contractor Licensing

Business Type	License/Permit Needed	Where to Apply
Real estate	Real estate license	DCCA — Real Estate Commission
Healthcare / beauty	Professional license	DCCA — Professional Licensing
Home-based business (Oahu)	Home occupation permit	City & County of Honolulu
Short-term rental (STR)	TAT registration + county permits	DOTAX + County offices

Watch out: Short-term rentals (Airbnb, VRBO) in Hawaii have strict county-level regulations in addition to state taxes. You'll also owe the Transient Accommodations Tax (TAT) at 10.25% plus county surcharges. Check your specific county's rules before listing.

GET / BB-1 registration	\$20 one-time
Professional or specialty licenses	\$25–\$500+ depending on type
Home occupation permit (Oahu)	Varies by zoning

Step 7 File Annual Reports & Stay Compliant

Hawaii Annual Report Requirement

Every LLC registered in Hawaii must file an Annual Report with the DCCA each year to maintain its good standing status. This report confirms your business is still active and updates the state on any changes to your LLC's information.

Annual Report Basics

- Due date: By the end of the quarter in which your LLC was formed (e.g., formed in March → due by March 31 each year)
- Fee: \$12.50 per year — one of the lowest in the country
- How to file: Online at bizexpress.hawaii.gov (fastest) or by mail
- What it includes: Confirmation of registered agent, business address, and member/manager info

Watch out: Set a recurring reminder in your phone or calendar for your annual report due date. Missing it results in a \$10 late fee and eventually dissolution of your LLC by the state — which means losing your business name and liability protection.

Ongoing Compliance Checklist

Beyond the annual report, here are the key ongoing responsibilities to keep your LLC healthy:

Task	Frequency	Notes
File annual report	Yearly	bizexpress.hawaii.gov — \$12.50
File & pay GET returns	Monthly / Quarterly / Semi-annually	Based on your tax liability level
File federal income taxes	Annually (April 15)	Single-member = Schedule C; multi = Form 1065
File Hawaii state income taxes	Annually	Form N-11 or N-35 depending on structure
Keep records & receipts	Ongoing	Minimum 3–7 years for tax purposes
Maintain separate bank account	Ongoing	Never mix personal and business funds
Renew business licenses	Varies	Check each license's expiration date
Update DCCA on address changes	As needed	File an amendment with DCCA

Tax Classification Options for Your LLC

By default, the IRS treats a single-member LLC as a “disregarded entity” (you report business income on your personal taxes via Schedule C) and a multi-member LLC as a partnership (Form 1065). However, you can elect different tax treatment:

- S-Corp election (Form 2553): Can save on self-employment taxes once your net profit exceeds ~\$40,000–\$50,000. Requires paying yourself a “reasonable salary.”
- C-Corp election (Form 8832): Less common for small businesses, but can be beneficial in specific situations. Consult a CPA.

Tip: Hire a Hawaii-based CPA or tax professional, especially for your first year. The GET interacts with federal taxes in non-obvious ways, and a local accountant familiar with Hawaii tax law can save you significantly more than their fee.

Annual report fee	\$12.50/year
Late filing penalty	+\$10
Hawaii CPA / tax prep (estimated)	\$300–\$1,000+/year depending on complexity