

How to Form an LLC in Alabama Yourself (2026 Costs and Steps)

A free step-by-step guide from BusinessOwner.com. State information verified from official sources on September 15, 2026.

Quick answer

The filing fee for the Domestic Limited Liability Company (LLC) Certificate of Formation is \$200. You must also pay a separate fee for a Certificate of Name Reservation, which is \$25 on paper or \$28 online. Online filings also include a vendor portal fee.

Step 1: Check that your LLC name is available

Search the Alabama Secretary of State's business name records to confirm your desired name is available before filing. You must obtain a Certificate of Name Reservation before filing and attach a copy to your formation documents. The reservation costs \$25 on paper or \$28 online, with the online price including a vendor portal fee.

Step 2: Choose a registered agent

You may serve as your own registered agent if you are physically located in Alabama and have a street address for the registered office in the state. PO boxes are not permitted for the registered office. You must list only one registered agent on your formation documents.

Step 3: File your Domestic Limited Liability Company (LLC) Certificate of Formation

File the Domestic Limited Liability Company (LLC) Certificate of Formation with the Alabama Secretary of State, Business Entities Division. The filing fee is \$200 whether you file by mail or online. If you pay a paper filing by credit card, you will also owe a convenience fee of 3% of the charge plus \$2.00. Online filings also require a vendor portal fee. Attach your Certificate of Name Reservation to the formation documents.

[file online with the Alabama Secretary of State](#)

Step 4: Create an operating agreement

Create an operating agreement to outline ownership percentages, member and manager roles, voting rights, and procedures for when a member leaves the LLC. This document governs the internal operations of your company.

Step 5: Get your EIN from the IRS

Get your Employer Identification Number (EIN) from the IRS. The service is free.

[Get your EIN from the IRS](#)

Step 6: Keep your LLC in good standing

File the initial Business Privilege Tax Return (Form BPT-IN) with the Alabama Department of Revenue within two and a half months after the date of organization, but only if the calculated privilege tax due is more than \$100. A typical new small LLC at the minimum has no initial filing requirement.

The recurring obligation is the annual Business Privilege Tax Return (Form PPT) for limited liability entities, filed with the Alabama Department of Revenue unless the 2026 exception below applies. This return is due no later than two and a half months after the beginning of the taxable year, which is March 15 for a calendar-year LLC. The tax is based on Alabama net worth at a rate of \$.25 to \$1.75 per \$1,000 of net worth, with a maximum class limit of \$15,000. For the 2026 taxable year, taxpayers who would be subject to the \$100 statutory minimum have no filing requirement, so there is no fixed minimum payment for a small LLC.

There is no Secretary of State annual report required for LLCs in Alabama.

Frequently asked questions

How much does it cost to reserve an LLC name in Alabama?

A Certificate of Name Reservation costs \$25 on paper or \$28 online. The online price includes a vendor portal fee.

Is there an annual report fee for LLCs in Alabama?

No, the Secretary of State does not require an annual report for LLCs. The recurring obligation is the Business Privilege Tax return filed with the Department of Revenue.

When is the initial Business Privilege Tax Return due?

The initial return is due within two and a half months after the date of organization, but only if the privilege tax due calculates to more than \$100.

What is the deadline for the annual Business Privilege Tax Return?

The return is due no later than two and a half months after the beginning of the taxable year. For a calendar-year LLC, this is March 15.

Can I serve as my own registered agent in Alabama?

Yes, you may serve as your own registered agent if you are physically located in Alabama and have a street address for the registered office in the state.

Want us to file it for you? \$249 plus state fees.

Want the whole business set up? Book a call with BusinessOwner.com.

Sources

Official sources, last verified September 15, 2026:

- [LLCs | Alabama Secretary of State](https://www.sos.alabama.gov/business-entities/llcs)
<https://www.sos.alabama.gov/business-entities/llcs>
- [www.sos.alabama.gov: FeeSchedule.pdf](https://www.sos.alabama.gov/sites/default/files/form-files/FeeSchedule.pdf)
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<https://www.sos.alabama.gov/sites/default/files/2022-09/ConversionDomesticEntity.pdf>
- [IRS: Get an employer identification number](https://www.irs.gov/ein)
<https://www.irs.gov/ein>

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