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## Out-of-State LLC Reality Check (Illinois Rentals)

One page to confirm your entity map matches taxes, contracts, and court leverage.

### 1) Tax sourcing

- Illinois property? Treat rent as Illinois-source.
- Illinois resident owner? Assume Illinois taxes the owner's income.

### 2) Entity map (keep it simple)

- Who holds title (asset owner)?
- Who is landlord on the lease?
- Who signs vendor / PM contracts?

### 3) Paperwork alignment

- Lease names the correct landlord entity.
- Notices and deposits match the landlord entity.
- Vendor contracts match the operating entity.

### 4) Banking + books

- Separate accounts; no commingling.
- Books tie to the correct EIN/entity.
- Intercompany payments documented.

### 5) Insurance

- Named insureds match title + lease.
- Umbrella reviewed; COIs collected.

### 6) Foreign LLC + court leverage (Illinois)

- If an out-of-state LLC signs leases, collects rent, or manages repairs in IL, assess IL registration early.
- Unregistered foreign LLC may lose ability to sue in IL until fixed.

### 7) Tomorrow test

- If you had to sue a tenant/vendor tomorrow, which entity files?
- Is that entity contract-aligned and authorized?

### 8) Red flags (quick scan)

- Wrong entity on lease or notices
- Shared bank account / messy books
- Insurance names do not match title/lease

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**Questions? Visit [howardeast.com](http://howardeast.com) and we will help you clean up the entity map.**

Educational material only; not legal or tax advice. Consult counsel and your CPA before restructuring.