GIGI PATIENT ADVOCACY · RESEARCH APPENDIX

# Texas Business Entity Setup

Compiled 2026-08-22 · Research data, not legal, tax, or medical advice

## Research: Texas Business Entity Setup for a Nurse-Led Advocacy Practice

Collected 2026-08-22. Data gathering only, NOT legal advice.

### LLC vs PLLC — the answer is probably plain LLC

Texas Business Organizations Code Ch. 301 defines "professional service" as a service requiring a Texas license as a **condition precedent to rendering the service**, listing: architect, attorney, CPA, dentist, physician, public accountant, veterinarian, plus (elsewhere in the chapter) doctor of medicine, osteopathy, podiatry, chiropractor, optometrist, therapeutic optometrist, and "licensed mental health professional."

**Registered nurse does NOT appear in that list.** The only nursing-adjacent mention is inside the definition of "licensed mental health professional" (covering psychiatric nursing), which is about mental-health licensure, not RN licensure generally.

Two independent reasons a plain LLC looks correct:
1. Nursing is not enumerated as a "professional service" in 301.003(3).
2. Separately, patient advocacy performs no clinical service for which an RN license is a "condition precedent" — the work does not require a license at all, so it is arguably not a professional service regardless of who owns the entity.

**Cost is identical either way, so this is not a budget decision.** Both Form 205 (LLC) and Form 206 (PLLC) cost $300.
CAVEAT: statutes.capitol.texas.gov serves a JavaScript shell; the statutory text above came from the texas.public.law mirror. Spot-check against the official site, and have a Texas business attorney confirm. This is an interpretive question, not a settled one.

### Texas Secretary of State fees — VERIFIED from primary source

Source: Texas SOS Form 806, "Business Filings & Trademarks Fee Schedule," revised 10/25. Full PDF text extracted directly, accessed 2026-08-22.

| Filing | Fee |
|---|---|
| Certificate of formation, domestic LLC (Form 205) | **$300** |
| Certificate of formation, domestic PLLC (Form 206) | **$300** |
| Assumed name certificate / DBA (Form 503) | $25 |
| Name reservation, 120 days (Form 501) | $40 |
| Professional association / LP (Forms 204, 207) | $750 — different bucket, do not confuse with PLLC |

Online filing at direct.sos.state.tx.us. $1 statutory search fee confirmed. Credit-card convenience fee percentage (often cited as 2.7%) NOT verified from a primary source — check before budgeting.
No annual report fee owed to the SOS for LLCs.

### Texas franchise tax — VERIFIED from comptroller.texas.gov

- **No Tax Due Threshold for report years 2026 and 2027: $2,650,000.** Gigi will be nowhere near this.
- BUT: below the threshold, the entity is still **required to file Form 05-102 Public Information Report (or Form 05-167 Ownership Information Report) every year.** The old No Tax Due Report (05-163) is no longer required. Quoted directly from comptroller.texas.gov/taxes/franchise/filing-requirements.php, accessed 2026-08-22.
- Practical effect: one free annual form. Do not miss it — forfeiture of the entity is the penalty for chronic non-filing.

## Sales tax on advocacy and bill-review services — probably not taxable, but get a ruling

Source: Comptroller Publication 96-259 "Taxable Services," accessed 2026-08-22.
Two taxable categories are close enough to matter:
- **Insurance Services** (Tax Code 151.0039): "damage and loss appraisal, inspection, investigation, claims adjustment or processing, actuarial analysis or research, and insurance loss prevention."
- **Debt Collection Services** (Tax Code 151.0036): "any activity to collect or adjust a delinquent debt, to collect or adjust a claim, or to repossess property subject to a claim."

Neither "medical bill review," "medical bill negotiation," nor "patient advocacy" appears anywhere in the publication. General professional and consulting services are not listed as taxable.

Reasoning (analysis, NOT a Comptroller determination): Insurance Services is oriented around work done for or on behalf of an **insurer**. An advocate negotiating on behalf of the **patient** against a **provider** does not match on its face. Debt Collection is oriented around collecting money owed **to** a creditor; an advocate working to **reduce** what a patient owes is structurally the opposite.

**ACTION ITEM: a private letter ruling or a CPA opinion is the right next step before finalizing service descriptions.** And avoid marketing copy using the words "claims adjustment," "claims processing," or "bill collection," which could invite the wrong characterization. This is a real, cheap risk to close early.

## Austin / Travis County — UNRESOLVED, needs phone calls

- **Assumed name / DBA:** LLCs file DBAs at the **state** level (SOS Form 503, $25) post-HB 3609 (2019), not the county. Sole proprietors and general partnerships still file at the county. Circumstantially confirmed via the live fee schedule, but no plain-language 2026 SOS policy page retrieved. UNCERTAIN.
- **Travis County Clerk DBA fee:** UNRESOLVED. traviscountytx.gov and traviscountyclerk.org returned 404s/broken redirects; search fallbacks CAPTCHA-blocked. Needs a phone call.
- **City of Austin general business license:** UNRESOLVED. Commonly understood that Austin has no general business license, but NOT verified. Confirm before relying on it.
- **Austin home occupation rules (Land Development Code):** UNRESOLVED. Municode returned 403. Relevant if Gigi runs the business from home — worth checking, since a home-based solo consulting practice with no client foot traffic and no signage is normally fine, but confirm.

## EIN and registered agent

- EIN is free, direct from IRS.gov only. Never pay a third party for one.
- Texas requires a continuously maintained registered agent with a **physical Texas street address** — no P.O. box. Gigi can serve as her own registered agent, but that puts her home address in the public record. A commercial registered agent runs roughly $50-150/yr and keeps the home address off the filing. Worth it for a solo practitioner working from home.

## Contracts and disclaimers — real language found in the wild

**Guardian Nurses** (RN-staffed independent advocacy company) — closest real-world RN-specific scope disclaimer found:

> *"Nurse advocates do not make medical or financial decisions for you, make a medical diagnosis, determine fault or legal liability, provide direct nursing care or provide financial management services."*
> *Source: guardiannurses.com/patient-advocacy, accessed 2026-08-22.*

**SYSTEMEDIC / get-meducated.com:**

> *"We do not provide medical or diagnostic services, nor do we recommend treatment or health care advice."* / *"You understand and acknowledge that SYSTEMEDIC only provides informational and administrative services..."* / *"Always seek the advice of your physician or other qualified healthcare provider prior to making any treatment decisions."*

**patientadvocateinfo.com** — useful clause, worth stealing:

> *"A professional-client relationship with you is only formed after we have expressly entered into a written agreement with you that you have signed."*

**PACB Code of Professional Responsibility (rev. Oct 14 2019), Ethical Standard 1** — binding on every BCPA, and DIRECTLY on point for Gigi:

> *"Advocates are committed to helping clients and client communities make informed choices and access resources, but at no time make decisions about specific treatment choices, provide clinical opinions, or perform medical care of any type,* ***even if they possess clinical credentials.***"

**PACB Code of Professional Conduct, Code 1:**

> *"Advocates may not make specific medical recommendations, even if the Advocate possesses clinical credentials."*

**PACB Ethical Standard 6 (conflicts of interest)** — the sourced no-kickback rule:

> *"Advocates shall not accept remuneration for making referrals to other providers or services, nor steer clients to products or services from which the advocates will profit financially or earn a commission... shall not accept paid advertising on their websites for products or other service providers... a value greater than $75 is presumed to be substantial [for gifts]."*

**PACB Ethical Standard 2 (transparency)** — on what the services agreement must contain:

> *"Advocates providing fee-for-service assistance are obligated to present their clients and guarantors with service agreements that clearly define their scope of practice, fee schedule, and terms. Advocates provide the client the projected length and scope of the relationship, keeping in mind criteria for appropriate termination of that relationship."*

## Services agreement — what belongs in it

Sourced (PACB Standard 2, APHA guidance): scope of practice with explicit exclusions, fee schedule and terms, projected length and scope of the relationship, termination criteria, conflict-of-interest and no-referral-fee statement.
Standard for this category of professional services agreement (flagged as general practice, not sourced to one document): no-guarantee-of-outcome clause, confidentiality/PHI handling, limitation of liability, indemnification, dispute resolution.

**HIPAA authorizations must be SEPARATE documents from the services agreement.** APHA guidance: get two distinct signed authorizations — (1) authority to obtain the client's records from providers, (2) authority to share those records with named third parties. Keeping them separate is both a compliance and a liability measure.

**APHA Premium membership ($289 first yr) includes a sample consultation agreement drafted by APHA's legal advisor, HIPAA authorization forms, patient intake forms, and subcontractor agreements.** For a solo launch this is the cheapest path to a competent paper stack. Template text sits behind the member login and was not retrievable.

## THE OPEN GAP THAT MATTERS MOST

No real independent RN advocate website was found using an explicit "not acting in a nursing capacity" / "no nurse-patient relationship is created" disclaimer, and nothing found addresses the **Texas** Nursing Practice Act specifically. Guardian Nurses' language (excluding "direct nursing care") and PACB's "even if they possess clinical credentials" standard are the closest analogues.

**This needs a Texas attorney to draft.** The question — does an RN holding out her nursing experience while selling advocacy services create a nurse-patient relationship, trigger the standard of care, and give the Texas BON jurisdiction over complaints — is the single highest-value legal question in this business, and it is unanswered by public sources. See the separate legal research file for the BON-specific findings.