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LANDFALL GUIDE · TAXES IN BOTH COUNTRIES

What happens to my US business or LLC when I move to the UK?

THE SHORT ANSWER

The US and UK often see the same business differently. A single-member LLC that the IRS ignores is usually treated as a separate company by the UK, and an S corporation's profits can be taxed at different times in each country. If you run the business from the UK, it may also become UK resident for tax. Get advice before you move.

For US citizens and green card holders moving to the UK. Build your free, personal move plan at **yourlandfall.com/plan**.

General information, not personal tax, financial, legal or immigration advice.

The core problem: two views of one business

For US tax, many small businesses are “see-through”. A single-member LLC is usually **disregarded**, and an S corporation’s profits flow through to its owners each year.

The UK often doesn’t follow that view:

- **LLCs** are generally treated by HMRC as **companies** in their own right. Profits you’d report personally in the US can be seen in the UK as the company’s profits, taxable to you only when paid out.
- **S corporations** are companies in UK eyes. The profit the US taxes you on each year may not be your income for UK purposes until it’s distributed.

When the two countries tax the **same money at different times or as different kinds of income**, foreign tax credits may not line up, and you can end up paying more than you should.

Where the business is managed

A company can become **UK resident for tax** if it’s centrally managed and controlled from the UK. If you’re the sole decision-maker and you now live here, that can apply to your US company, bringing its profits into UK corporation tax.

Common options people look at

These all need personal advice:

- keeping the business and changing how profits are paid out
- changing the US tax classification before you move
- setting up a UK company or operating as a UK sole trader for UK work
- winding up a dormant entity before you become UK resident

Also check

- **US state filings and registered agent** requirements if you’re no longer living in the state.
- **Banking**: some US banks restrict business accounts for owners living abroad.
- **Payroll and social security** for yourself and any staff.

What to do next

This is one of the most valuable steps to get right before you become UK resident. Build your move plan and pick “A business or LLC”.

See every step for your move. Answer five questions and get a free plan in the right order: yourlandfall.com/plan