

PAYMENT OF COMMISSION ENTITY

A payment of commission entity is an entity created by an associate in order to receive their earned commissions from their brokerage. Many associates decide to receive their commissions through an entity instead of their legal name for tax purposes. For additional information, please seek advice from an attorney or CPA.



Register the pay entity with the Commission and with the Secretary of State

Visit the [Secretary of State website](#) and register the entity and obtain a certificate of Good Standing. Additionally, you will need to login to the your [License Portal](#) and request registration of the entity with the Commission.



Entity cannot perform licensable activity

The entity shall not perform any act requiring a real estate license (i.e. advertising, selling, buying, etc.) and shall not hold itself out as engaged in any licensable real estate activities.



Ownership in the entity is limited to spouses and blood relatives

Only blood relatives and spouses are allowed to have an ownership interest in the entity. Other licensees, team members, business partners, and unlicensed persons are not allowed to have ownership in the entity unless they are blood related or a spouse.



Licensee requesting registration must be the majority stockholder of the entity

The licensee requesting registration must own more than 50% of the pay entity being registered.



Entity may not advertise or receive commissions except from the Broker

The pay entity may not receive commissions for any other business or brokerage (even if unrelated to real estate). The pay entity shall only be used for the purposes of receiving earned commissions from the Broker.



Each associate may only register one entity

Each associate may only register one entity for the purpose of receiving commissions from their brokerage.



Broker approval required

Broker approval must be provided in order for the pay entity to be registered with the Commission. Broker approval is obtained when requesting registration in the [License Portal](#)