

Comparison of Business Entities

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	Sole Proprietorship	(General) Partnership	Limited Partnership	LLP	LLC	S-Corporation	C-Corporation
General Description	One person doing business; must file a d/b/a if you use a trade name	Two or more persons carrying on a business for profit	Same as partnership but limited partners can't participate in management of business	Partnership with requirement to maintain \$100,000.00 liability insurance policy	Hybrid of partnership and corporation	Corporation electing to be taxed as a partnership; limit of 100 shareholders, generally individuals, one class of stock	Separate legal entity
Liability	Unlimited personal liability for all torts and contracts	Unlimited personal liability for your actions and your partner's	Limited liability for limited partners, unlimited personal liability for general partners	Can be structured for limited liability	Can be structured for limited liability	Limited liability	Limited liability
Income Tax	Income is taxed once	Income is taxed once	Income is taxed once	Income is taxed once	Income is taxed once	Income is taxed once	Income is taxed twice (business and personal)
Franchise Tax	Not applicable	Not applicable if partners are natural persons; otherwise, applicable if income \$1m or less and tax less than \$1000	Applicable if income \$1m or less and tax less than \$1000	Applicable if income \$1m or less and tax less than \$1000	Applicable if income \$1m or less and tax less than \$1000	Applicable if income \$1m or less and tax less than \$1000	Applicable if income \$1m or less and tax less than \$1000
Initial Costs	None (\$10.00 to file assumed name certificate)	None unless you have a written partnership agreement	\$750.00 filing fee; attorney's fees	\$200.00 fee per partner per year; insurance costs; attorney's fees	\$300.00 filing fee; attorney's fees	\$300 filing fee; attorney's fees	\$300 filing fee; attorney's fees