

BUSINESS ENTITIES COMPARISON CHART

Type	Costs	Ownership	Liability	Pass-Through Taxation	Key Documents
Sole Proprietor	\$50-\$100 initial cost; No legal fees; No annual tax	1 Owner	No limit on personal liability	Yes	- DBA Filing (Fictitious Name Statement)
General Partnership	\$20-\$100 initial cost; \$500-\$1,000 legal fees; No annual tax	No limit on # of general partners allowed	No limit on personal liability for general partners	Yes	- General Partnership Agreement - Local filings if partnership holds real-estate
Limited Partnership	\$250-\$500 initial cost; \$1K-\$3K legal fees; No annual tax	No limit on # of general & limited partners allowed	Limited partners generally have no personal liability	Yes	- Limited Partnership Certificate - Limited Partnership Agreement
Limited Liability Company (LLC)	\$1K-\$1.5K initial cost; \$2K-\$3K legal fees; \$800 annual tax	No limit on the # of "members" allowed	No personal liability for members	Yes, unless elected otherwise to be taxed as corporation	- Articles of Organization - Operating Agreement
S Corporation	\$1K-\$1.5K initial cost; \$2K-\$3K legal fees; \$800 annual tax	≤100 shareholders allowed; only one basic class of stock allowed	No personal liability for shareholders	Yes	- Articles of Incorporation - Bylaws & Board Resolutions - Stock Certificates - Stock Ledger - IRS & State S Corp. Election
C Corporation	\$1K-\$1.5K initial cost; \$2K-\$3K legal fees; \$800 annual tax	No limit on # of shareholders allowed; No limit on stock classes	No personal liability for shareholders	No. "Double Taxation" Earnings are taxed at the corporate level as well as on shareholder dividends	- Articles of Incorporation - Bylaws & Board Resolutions - Stock Certificates - Stock Ledger