

Entity Comparison Table Provided By Land And Water's Business Solutions Group (BSG)

Characteristics	Sole Proprietorship	General Partnership	C-Corporation	S-Corporation	Limited Liability Company
Liability	Sole Proprietor is fully liable.	Partners are fully liable.	Shareholders are typically not personally liable for the debts of the corporation.	Shareholders are typically not personally liable for the debts of the corporation.	Members are not typically liable for the debts of the LLC.
Tax Treatment (General)	Not a taxable entity. Sole Proprietor pays all taxes.	Not a taxable entity. Each partner pays tax on his/her share of income and can deduct losses against other sources of income.	Taxed at the entity level. If dividends are distributed to shareholders, dividends are also taxed at the individual level.	No tax at the entity level. Income/loss is passed through to the shareholders.	If structured properly, there is no tax at the entity level. Income/loss is passed through to the members.
Pass Through Taxation (Income/Loss)	Yes	Yes	No	Yes	Yes
Double Taxation	No	No	Yes, if income is distributed to shareholders in the form of dividends.	No	No
Operational Requirements	Relatively few legal requirements.	Relatively few legal requirements.	Board of directors, officers, annual meetings, and annual reporting required.	Board of directors, officers, annual meetings, and annual reporting required.	Some formal requirements, but less formal than corporations.
Management Structure	Sole Proprietor has full control of management and operation.	Typically, each partner has an equal voice, unless otherwise arranged.	Managed by the directors, who are elected by the shareholders.	Managed by the directors, who are elected by the shareholders.	Members have an operating agreement that outlines management.
Cost of Creation	No filing fee required.	No filing fee required.	State filing fee required.	State filing fee required.	State filing fee required.