



Business Structure

There are a variety of business structures to choose from when starting your business.

The structure you choose will impact how much you pay in taxes, your ability to raise money, the paperwork you need to file, and your personal liability.

	OWNERSHIP	LIABILITY	TAXES	HOW TO FORM
SOLE PROPRIETORSHIP	One person	Unlimited personal liability	Personal tax only	No state filing required
PARTNERSHIPS	Two or more people	Unlimited personal liability unless structured as a limited partnership	Self-employment tax Personal tax	No state filing required
LIMITED LIABILITY COMPANY (LLC)	One or more people	Owners are not personally liable	Self-employment tax Personal tax or corporate tax	State filing required
CORPORATION - C CORP	One or more people	Owners are not personally liable	Corporate tax	State filing required
CORPORATION - S CORP	One or more people, but no more than 100	Owners are not personally liable	Personal tax	State filing required
CORPORATION - B CORP	One or more people	Owners are not personally liable	Corporate tax	State filing required