

ENTERPRISE *esquire*

BUSINESS ENTITY COMPARISON CHART

	Sole Proprietor or General Partnership	Limited Liability Company	S-Corporation	C-Corporation
Formation (Online filing)	No filing req'd unless operating under an assumed name	State filing req'd; IL fee is \$250	State filing req'd; File as LLC or C-Corp first, then file Subchapter S election with IRS	State filing req'd; IL fee is \$275
Annual Fees (Online filing)	None	Annual Report \$150	See LLC or C-Corp fees	Annual Report \$150 minimum
Personal Liability	Unlimited personal liability	Members not typically personally liable for debts of LLC	Shareholders not typically personally liable for corporate debts	Shareholders not typically personally liable for corporate debts
Ease of Operation	Owner has full control	Formal meetings & minutes not required; Governed by Operating Agreement	Formal board / shareholder meetings & minutes when necessary; Shareholders elected Directors, Directors appoint officers who run daily operations	Formal board / shareholder meetings & minutes required; Shareholders elected Directors, Directors appoint officers who run daily operations
Corporate Taxation: Income	N/A - not a separate corporate entity	No corporate level tax, however, may elect to be taxed as C-Corp or S-Corp	No corporate level tax	Corporate level tax @21%; may elect to be taxed as a S-Corp
Corporate Taxation: Dividends Or Distributions	N/A	N/A	Distributions taxed at shareholder's personal tax rate - not subject to Self Employment tax	Corporate level tax Dividends taxed @20%
Personal Tax Reporting	Income/loss reported on owner's personal tax return subject to Self Employment tax of 15.3% (12.4% Social Security & 2.9% Medicare) then Federal & State taxes	Income/loss is passed through to members personal tax returns; subject to Self Employment tax of 15.3% (12.4% Social Security & 2.9% Medicare) then Federal & State taxes	Must pay a "reasonable salary"; then Income/loss is passed through to shareholders via Schedule K-1 and reported on personal tax returns	Distributions reported on 1099-DIV and reported on personal tax returns

We are all things business...Your business.
We are here to guide you on your path to success.

www.enterprisesquire.com

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