

BUSINESS ENTITY COMPARISON CHART & ELECTION GUIDE

IMPORTANT: This guide provides general educational information only. Entity selection and tax elections have significant implications that vary based on your specific situation. Always consult with qualified legal and tax professionals before making decisions.

FACTOR	SOLE PROP	SINGLE LLC	MULTI LLC	S-CORP ELECTION	C-CORP
Liability Protection	None	Strong	Strong	Depends on Entity	Strongest
Tax Complexity	Simple	Simple	Medium	Medium	Complex
Payroll Taxes	Self-Employment	Self-Employment	Self-Employment	FICA on Salary	FICA on Salary
Setup Cost	\$0.00	\$100-800	\$100-800	Same + Payroll	\$500+
Annual Compliance	Low	Low	Medium	High	Very High
Growth Flexibility	Limited	Good	Excellent	Good	Excellent