



Business Structure Comparison Chart

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BUSINESS STRUCTURE COMPARISON CHART

	C Corporation	S Corporation	Limited Liability Company (“LLC”)	Limited Partnership (“LP”)	General Partnership (“GP”)	Business Trust	Sole Proprietorship
<i>Formation Requirements</i>	Complex with higher costs	Complex with higher costs	May be complex or simple; higher costs.	May be complex or simple; reasonable costs.	May be simple; lower costs.	May be simple; lower costs.	Easiest to start; no start-up costs.
<i>Basic Organizational Documents</i>	Charter (articles of organization or certificate of incorporation), Bylaws and Incorporators’, Stockholders’ and Directors’ consents	Charter (articles of organization or certificate of incorporation), Bylaws, form 2553 filing with IRS and Incorporators’, Stockholders’ and Directors’ consents	Certificate of Formation and optional Operating Agreement	Certificate of Limited Partnership and Limited Partnership Agreement	Partnership Agreement (optional); Business Certificate filing with local, county or state authority.	Declaration of Trust. SOS filing if trust has transferable shares. Real estate trusts file with the registry of deeds. Otherwise business certificate filing with local, county or state authority.	Business certificate filing with local, county or state authority.
<i>Continuity of Life</i>	Yes	Yes	Yes, unless dissolution date is stated in the Certificate of Formation or Operating Agreement.	Terminates upon the death or resignation of General Partner or dissolution date stated in the Limited Partnership Agreement	Terminates upon the death or resignation of partners or the dissolution date stated in Partnership Agreement.	Terminates upon the death of beneficiary or the earlier termination date specified in the Declaration of Trust.	Terminates upon the death of the sole proprietor.
<i>Owner Liability for Obligations of the Entity</i>	Stockholders have limited liability	Stockholders have limited liability	Members have limited liability	Limited Partners have limited liability, General Partners have joint and several liability	Partners have joint and several liability		Owners have no liability protection.
<i>Operating Documents</i>	Charter and Bylaws	Charter and Bylaws	Operating Agreement (if any)	Limited Partnership Agreement	Partnership Agreement (if any)	Declaration of Trust	None
<i>Management</i>	Stockholders elect the Directors; Directors manage overall strategy and control significant corporate events; Officers manage day-to-day affairs under direction of Directors as specified in the Charter and Bylaws.	Stockholders elect the Directors; Directors manage overall strategy and control significant corporate events; Officers manage day-to-day affairs under direction of Directors as specified in the Charter and Bylaws.	Members may elect Manager(s) or Managing Member(s) to manage day-to-day affairs; officers (if any) perform under direction of Manager(s) as specified in the Operating Agreement.	Limited Partners are owners along with General Partner. Limited Partners are passive investors except as specified in the Limited Partnership Agreement. General Partner(s) controls the entity and manages day to day affairs as defined in the Limited Partnership Agreement.	Partners own and operate business as defined in the Partnership Agreement (if any).	Governed by Trustee(s) as specified in the Declaration of Trust.	Owned and operated by the sole proprietor.

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<i>Type of Ownership Interest</i>	Stock	Stock	Membership Interests	Limited Partnership Interests	Partnership Interests	None issued unless the trust contains beneficial interests.	None Issued
<i>Business Taxed at Federal Tax Level? (Double Taxation)</i>	Yes	No	Depends upon how the LLC chooses to be taxed by IRS on form 8832. Users should consult the tax laws of the state of domicile and the state of organization.	No	No	If only one owner, trust will be treated as sole proprietorship; if two owners as partnership	No; Owner pays federal taxes on profit/loss.
<i>Business Taxed at State Tax Level?</i>	Yes	No	Depends upon how the LLC chooses to be taxed by IRS on form 8832 Users should consult the tax laws of the state of domicile and the state of organization.	No	No	Yes	No; Owner pays state taxes on profit/loss.
<i>Annual Report Requirements</i>	Yes	Yes	Yes	No	No	Yes	No