

Summary of Business Legal Structures

	Ownership	Liability	Formation Documents	Taxation	Management
Sole Proprietorship	One Owner	Unlimited personal liability	Doing Business As (DBA) Filing	Entity not taxed; profits and losses claimed on personal taxes	Owner
General Partnership	Unlimited number of general partners	Unlimited personal liability	General Partnership Agreement	Entity not taxed; profits and losses claimed on personal taxes of general partners	General partners
Limited Partnership	Unlimited number of general and limited partners	Unlimited personal liability of the general partners; limited partners generally have no personal liability	Limited Partnership Certificate Limited Partnership Agreement	Entity not taxed; profits and losses claimed on personal taxes of general and limited partners	General partners
Limited Liability Company (LLC)	Unlimited number of members	Generally no personal liability of the members for obligations of the business	Articles of Organization Operating Agreement	Entity not taxed (unless chosen to be taxed); profits and losses are passed through to the members	Manager or members designated in Operating Agreement
C Corporation	Unlimited number of shareholders	Generally no personal liability of the shareholders	Articles of Incorporation Bylaws Organizational Board Resolutions Stock Certificates Stock Ledger	Corporation taxed on its earnings at the corporate level and the shareholders may have a further tax on any dividends distributed ("double taxation")	Board of Directors
S Corporation	Up to 100 shareholders allowed	Generally no personal liability of the shareholders	Articles of Incorporation Bylaws Organizational Board Resolutions Stock Certificates Stock Ledger IRS and State S Corporation Election	Entity generally not taxed, as profits and losses are passed through to the shareholders ("pass-through" taxation)	Board of Directors