



Rudolph, Fine,  
Porter & Johnson, LLP



**WELCOME!**

# LLC, LLP, S-C

## What's the Best Entity for Me?

Presented by:

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## Agenda

- Factors in Considering an Entity
- Types of Entities
- Sole Proprietorships
- Limited Liability Companies
- C-Corporations
- S-Corporations
- Q&A

## Factors in Considering an Entity

- Legal Issues
  - Liability Protection
- Flexibility of Ownership
  - Allocation of Profits/Losses
  - Distributions
  - Tiers of Ownership
- Tax concerns
- Administration and Bookkeeping

## Types of Entities

- Sole Proprietorships
- Partnerships
- Limited Liability Companies
- Corporations
  - C-Corporations
  - S-Corporations

## Sole Proprietorships

- One Owner
- No Liability Protection
- No Tax Distinction between Owner & Business
- *Seldom Used*

## Limited Liability Companies

- Relatively New
- Ownership Flexibility
  - Multiple Members
  - No Limit to Number of Members
  - Different Classes of Members
  - Single Member LLC's

## Limited Liability Companies

- Personal Liability Protection
- Flexible Tax Treatment
  - “Check the Box” IRS Rules Apply
  - Special Allocations Allowed

## C-Corporations

- Personal Liability Protection
- Taxed at Corporate & Personal Levels
  - Double Taxation
- Unlimited Number of Stockholders
- Different Classes of Stockholders
- No Limit to Type of Stockholders

## S-Corporations

- No Legal Difference from C-Corporation
- Personal Liability Protection
- No More than 75 Stockholders
- Flow through Taxation to Stockholders and Taxed at Individual Stockholder's Marginal Rate
- Possible "Self Employment Tax" Relief

# Questions & Answers

# Feel Free to Contact Me

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THANK YOU!