

Details	Sole Proprietorship	General Partnership	Limited Liability Company	Corporation	S Corp
<b>Formation</b>	- At owner's discretion - No state filing required	- By agreement of two or more partners - Filing not required in most states	State filing required (articles of organization)	State filing required (articles of incorporation)	- State filing required (articles of incorporation) - Must elect S corp status with the IRS
<b>Term of Existence</b>	Terminated if business ceases or upon owner's death	Dissolves upon partner's death or withdrawal, unless otherwise stated in partnership agreement	Perpetual, unless otherwise stated in articles of organization	Perpetual	Perpetual
<b>Ownership</b>	One owner	Two or more partners; ownership divided as partners see fit.	One or more members; ownership divided as members see fit.	One or more shareholders; percentage of ownership in proportion to shareholder's investment.	No more than 100 shareholders; percentage of ownership in proportion to shareholder's investment.
<b>Liability</b>	Owner bears personal liability for all debts and obligations	Partners equally liable for all debts and obligations	Members generally not liable for debts and obligations	Shareholders generally not liable for debts and obligations	Shareholders generally not liable for debts and obligations
<b>Management Control</b>	100% controlled by sole proprietor	Each partner has equal authority, unless partnership agreement states otherwise	Member-managed or manager-managed	Shareholders elect directors who manage the company's affairs; officers manage day-to-day business activities.	Shareholders elect directors who manage the company's affairs; officers manage day-to-day business activities.
<b>Operational Ease</b>	Easiest; no state requirements	Easy; little if any state requirements	Easy; some states require annual report to be filed	- Formal recordkeeping requirements - Annual meetings required - Annual reports required	- Formal recordkeeping requirements - Annual meetings required - Annual reports required
<b>Taxation</b>	- Pass-through taxation - Subject to self-employment tax	- Pass-through taxation - Subject to self-employment tax	- Pass-through taxation - Subject to self-employment tax (limited partners in LLCs taxed as limited partnerships are usually exempt from self-employment tax)	- Separately taxed at corporate income tax rates - "Double taxation": Profits are taxed at corporate level, then taxed again when paid as dividends to shareholders	- Pass-through taxation - Only salary is subject to employment tax (shareholder distributions are not subject to employment tax)
<b>Capital Fundraising</b>	Sole proprietor typically provides all capital	Partners provide capital	Membership interest may be sold (subject to operating agreement); doing so may subject LLC to securities laws	Corporate stock may be sold subject to securities laws	Corporate stock may be sold; shareholder limitations (e.g. S corp stock cannot be owned by other corporations)
<b>Interest Transferable</b>	No	No	Yes, unless otherwise stated in operating agreement	Yes	Yes, subject to shareholder limitations