

## Chart describing basic elements of standard business entities:

Characteristic	C Corporations	S Corporations	Sole Proprietorship	General Partnership	Limited Partnership	LLC
Ownership Rules	Unlimited number of shareholders allowed; no limit on stock classes	Up to 75 shareholders allowed; only one basic class of stock allowed	One owner	Unlimited number of general partners allowed	Unlimited number of general and limited partners allowed	Unlimited number of "members" allowed
Personal Liability of the Owners	Generally no personal liability of the shareholders for the obligations of the corporation	Generally no personal liability of the shareholders for the obligations of the corporation	Unlimited personal liability for the obligations of the business	Unlimited personal liability of the general partners for the obligations of the business	Unlimited personal liability of the general partners for the obligations of the business; limited partners generally have no personal liability	Generally no personal liability of the members for obligations of the business
Tax Treatment	Corporation taxed on its earnings at the corporate level and the shareholders have a further tax on any dividends distributed ("double taxation")	Entity generally not taxed as the profits and losses are passed through to the shareholders ("pass-through" taxation)	Entity not taxed, as the profits and losses are passed through to the sole proprietor	Entity not taxed as the profits and losses are passed through to the general partners	Entity not taxed, as the profits and losses are passed through to the general and limited partners	Entity not taxed (unless chosen to be taxed), as the profits and losses are passed through to the members
Key Documents Needed For Formation	<ul style="list-style-type: none"> <li>Articles of Incorporation</li> <li>Bylaws</li> <li>Organizational Board Resolutions</li> <li>Articles of Incorporation</li> <li>Stock Certificates</li> <li>Stock Ledger</li> </ul>	<ul style="list-style-type: none"> <li>Articles of Incorporation</li> <li>Bylaws</li> <li>Organizational Board Resolutions</li> <li>Articles of Incorporation</li> <li>Stock Certificates</li> <li>Stock Ledger</li> <li>IRS &amp; State S Corporation election</li> </ul>				