

## COMPARISON OF ENTITY CHOICES

	SOLE PROPRIETORSHIP	S CORPORATION	C CORPORATION	LIMITED PARTNERSHIP	GENERAL PARTNERSHIP	LIMITED LIABILITY COMPANY
<b>Limited liability for owner(s)</b>	No	Yes	Yes	Yes	No	Yes
<b>Composition of Ownership</b>	One person.	Limited to 75 shareholders and one class of stock. Shareholders cannot be foreign individuals, corporations or trusts (except certain qualified trusts)	Generally no restrictions.	Need 1 limited partner and 1 general partner.	Need 2 partners.	Some states require 2 or more. In CA, as of 1/1/2000 only one member is required.
<b>Continuity of Life</b>	No	Perpetual	Perpetual	Partnership agreement determines term	Partnership agreement determines term	Articles of organization determine term.
<b>Administrative Complexity</b>	Simple	Complex	Complex	Varies	Varies	Complex

<b>Dissolution of entity on death, bankruptcy, resignation, expulsion, or dissolution of participant</b>	Yes	No	No	Yes, unless Partnership Agreement provides otherwise by vote of majority in interest of remaining partners	Yes, unless Partnership Agreement provides otherwise by vote of majority in interest of remaining partners	Yes, unless Operating Agreement provides otherwise by vote of majority in interest of remaining members.
<b>Double Taxation of income</b>	No	No	Yes	No	No	No. (LLC can be treated as partnership for tax purposes)
<b>Is entity taxed?</b>	Yes. Company and individual are one and the same.	No. Income passes through to shareholders	Yes.	No. Income passes through to partners	No. Income passes through to partners	Entity can elect to have income pass through to members.