

## Guidelines for Choosing the Legal Structure for Your Business

<b>Business structure</b>	<b>Ownership</b>	<b>Liability</b>	<b>Taxes</b>
<b>Sole proprietorship</b>	One person	Unlimited personal liability	Personal tax only
<b>Partnerships</b>	Two or more people	Unlimited personal liability unless structured as a limited partnership	Self-employment tax (except for limited partners) Personal tax
<b>Limited liability company (LLC)</b>	One or more people	Owners are not personally liable	Self-employment tax Personal tax or corporate tax
<b>Corporation - C corp</b>	One or more people	Owners are not personally liable	Corporate tax
<b>Corporation - S corp</b>	One or more people, but no more than 100, and all must be U.S. citizens	Owners are not personally liable	Personal tax
<b>Corporation - B corp</b>	One or more people	Owners are not personally liable	Corporate tax
<b>Corporation - Nonprofit</b>	One or more people	Owners are not personally liable	Tax-exempt, but corporate profits can't be distributed

Source: [www.sba.gov](http://www.sba.gov)