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## Which Legal Entity is Right for Your Business

	<b>CONTROL</b>	<b>LIABILITY</b>	<b>TAXES</b>	<b>ADMINISTRATION</b>
<b>SOLE PROPRIETORSHIP</b>	Sole Proprietor has total control of business operation and complete share of profits	All of Sole Proprietor's personal and business assets are at risk	Taxes reported on Sole Proprietor's tax return	No administration requirements other than obtaining business license and registering trade name
<b>GENERAL PARTNERSHIP</b>	Management and profits shared between partners per terms of the Partnership Agreement	General Partners are generally liable for obligations of General Partnership and tort damages incurred by other General Partners	"Pass-Through" Entity. Each general partner is taxed directly upon his/her share of profits	No formal administrative requirements other than obtaining proper license and permits
<b>LIMITED PARTNERSHIP</b>	General and Limited partners share in the control and profits of the partnership per the terms of the Partnership Agreement	Limited partners not personally obligated for liabilities of partnership. General partners same as partners in a General Partnership	"Pass-Through" Entity. Each partner is taxed directly upon his/her share of profits	Registration requirements similar to Corporations, but no burdensome record-keeping or tax filing requirements
<b>CORPORATION</b>	Shareholders ownership rights & elect directors. Directors govern general affairs & appoint officers. Officers manage business operations	Neither Officers, Directors or Shareholders are liable for debts incurred by the Corporation or torts committed in conducting the Corporation's business	"Double-Taxation" unless "S" Corporation, which is a "Pass-Through" Entity akin to a General Partnership	Formal incorporation process and annual registration with Secretary of State. Comprehensive record-keeping and tax filing requirements
<b>LIMITED LIABILITY COMPANY</b>	Members share profits per Operating Agreement which specifies management procedures	Generally, Members risk only their investment in the LLC	May be taxed as Partnership or Corporation, depending upon the election filed with the IRS	Similar to Corporation's requirements with regard to formation and operation

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