

Business Entity Forms

Business Form	Ownership	Liability	Governing	Funding	Taxes	Government Requirements
Sole Proprietorship	One person	Personal	Personal choice	External loans and personal funds	Personal and self-employment tax	Low
Partnership	Multiple people	Personal or limited liability (for an LLP)	Partnership agreement	External loans and partners (including silent partners)	Most commonly personal and self-employment tax	Low
Limited Liability Company	One or more people	Limited liability	Articles of organization and operating agreement	External loans and member contributions (private investments)	Personal and self-employment tax -OR- Corporate tax (see an accountant)	Medium
Corporation	One or more people	Limited liability	Articles of incorporation, bylaws, and shareholder agreement	External loans and selling stock	Corporate tax (double taxation) -OR- S-Corp pass through (see an accountant)	Medium / High
Co-op	Multiple people	Limited liability	Articles of incorporation, bylaws	External loans and membership contributions	Special co-op rules (see an accountant)	High
Benefit Corporation	One or more people	Limited liability	Articles of incorporation, benefit-corp agreement (B-Corp certification possible)	External loans and selling stock (impact investments)	Corporate tax (double taxation) -OR- S-Corp pass through	High
Non-profit	One or more people	Limited liability	Nonprofit charter, bylaws	External loans, donations, and grants	Exempt from income tax, other taxes may apply	High