



Effects of the Decision...	Sole Proprietorship	Partnership	LLC	S-Corp	C-Corp
Where will I pay tax on my business' income?	Owner's personal tax return	Owners' personal tax return	Owners' personal tax return	Owners' personal tax return	Business' tax return
What about in NYC?	Same	Unincorporated Business Tax (UBT) @ 4%	Unincorporated Business Tax (UBT) @ 4%	NYC doesn't do S-Corps, so you pay NYC tax on the S-Corp's tax return @ 8%	Same
Are there limitations on distributions?	Nope	None	Nada	Must distribute to members pro-rata by ownership %	Distributions are made as dividends
Are distributions of the business's profits taxed again?	Nope	None	Nada	No	Yes, at dividend tax rates on recipient's personal tax return
Am I limited to how many owners/members my company has?	Yes, 1 is the max	Sort of, you need at least 2	Nada	Yes, 100 is the max	No
What about the type of member, can a partnership be an owner of my company?	Yes	Yes	Yes	No, with some exceptions, only individuals who are US citizens or residents can be members in S-Corps	Yes
Are owners personally liable for the company's liabilities?	Yes	Yes	No	No	No
I have a few companies, can I deduct this company's losses against another company's income?	If you actively work at this company, probably	If you actively work at this company, probably	If you actively work at this company, probably	If you actively work at this company, probably	No
How do I pay myself?	Profits paid to the owner	Profits paid to the owner	Profits paid to the owner	Mandatory salary of at least "reasonable amount" before profits can be paid out	Salary (no mandatory amount) plus optional dividend payments to owners
Do I have to pay payroll taxes?	Self-employment tax b/c owners don't take salary	Self-employment tax b/c owners don't take salary	Self-employment tax b/c owners don't take salary	Payroll tax on portion that is salary (which is why there is a minimum)	Payroll tax on salary, dividend tax on dividends paid to owners