

	Sole Proprietorship ("SP")	General Partnership ("GP")	Limited Partnership ("LP")	Limited Liability Company ("LLC")	Corporation ("Corp.")		
					C-Corp.	B-Corp.	S-Corp.
Liability	Full liability. Owner is 100% responsible for debt obligations. Business <i>and</i> personal assets are at risk.	Joint and individual. Each partner is responsible for 100% of debt obligations. Business <i>and</i> personal assets are at risk.	General partner: 100% liable (personal and business assets). LP: liable to the extent invested in the business.	Limited liability. Liability limited to the investment in the LLC.	Limited Liability. Liability limited to the investment in the corporation.		
Tax	Pass through. Profits pass through to the owner to be reported in personal tax return.	Pass through. Profits pass through to the members to be reported in personal tax returns.	Pass through. Profits pass through to the members to be reported in personal tax returns.	May choose either double taxation or pass-through status.	Double taxation. Profits taxed at the corporate level and distributions to shareholder are taxed as personal income.	Can choose to be treated as a C-Corp. or S-Corp.	Treated as a pass-through entity.* *U.S. Tax Law outlines eligibility for S-corp. status.
How to Form	1) Begin Operating 2) File Certificate of Assumed Name (if applicable)	1) Execute Partnership Agreement 2) File Certificate of Assumed Name	1) Execute Partnership Agreement 2) File Certificate of Limited Partnership 3) Publication	1) File Articles of Organization 2) Publication 3) Write Operating Agreement	1) File a Certificate of Incorporation 2) Elect Board of Directors 3) Create Bylaws		
Pros	<ul style="list-style-type: none"> Easy to form Inexpensive to form 	<ul style="list-style-type: none"> Easy to form Inexpensive to form 	<ul style="list-style-type: none"> Limited liability for some partners 	<ul style="list-style-type: none"> Strong liability protection Simple to manage Transparent tax treatment 	<ul style="list-style-type: none"> Strong liability protection Ability to offer different types of stock interests Investor friendly, easier to raise capital Easier to transfer ownership 		
Cons	<ul style="list-style-type: none"> Full liability at stake Hard to manage with employees 	<ul style="list-style-type: none"> Full liability at stake Agency relationship 	<ul style="list-style-type: none"> Complicated formation General partner still faces full liability 	<ul style="list-style-type: none"> Not investor friendly 	<ul style="list-style-type: none"> Strict corporate formalities 		