BUSINESS

Partnership & Flow-Through Tax Planning, Advising & Creation

Need a business set-up? Trying to decide if opening a business is right for you?

We can help!

We understand deciding which business entity or if even creating a business is right for you can be a confusing process - we suggest requesting a consult; Don can guide and determine what is best for you, and potentially advise on maximum tax savings.

EMAIL US for an appointment!

What is an LLC (Limited Liability Company)?

An LLC is a business structure that offers personal liability protection and potential tax savings that aren't available in other business structures such as in Sole Proprietorships or Partnerships. It can consist of one owner, known as a single-member LLC, or more than one owner, known as a multi-member LLC. An LLC's profit will go directly to the owners who then report this share on their individual tax returns. To form an LLC, one needs to file articles of organization and must be filed in the state of operation.

What is a GP (General Partnership)?

A GP is an unincorporated business with two or more owners who share business responsibilities. It is a partnership in which all partners are liable for the activities of the partnership. GP's are considered pass through entities meaning, each partner reports their share of business profits and losses on their personal tax return. Then the owners pay a personal income tax on their share of the business profits. No registration or incorporation is required to form a GP, making them simpler to form.

What is a S-Corp (Subchapter Corporation)?

An S-Corp is the way a business is taxed, and it is not considered a business structure like an LLC. A person might choose to be taxed as an S-Corp because it is a pass-through entity.

This means that the profits will only be taxed once on the owners tax returns. However, to be classified as an S-Corp, when the business is being incorporated it must classify as a C-Corp but meet all S-Corp requirements. Some of the requirements of the S-Corp is to elect S-Corp status two months and fifteen days after organizing the business, have at most 100 shareholders and being domiciled in the US. S-Corp business structure gets its name from a part of the IRS' code where they are taxed under.

What is a C-Corp (Subchapter C Corporation)?

A C-Corp is the default corporation under the IRS. C-Corps file a corporate tax return, so they pay taxes at the corporate level as well as possibly having to be taxed on a personal tax return if income is distributed through dividends. Some advantages of C-Corps include that they can have an unlimited number of shareholders, the shareholders can be non-US citizens, and it can be easier for a C-Corp to get equity financing. A C-Corp business structure also gets its name from a part of the IRS' code where they are taxed under.

What is a Sole Proprietorship?

A Sole Proprietorship is another business structure that consists of an unincorporated business with one owner. It is a pass-through entity, and the owner reports the business income on a Schedule C attached to their personal tax return. In a Sole Proprietorship there is no legal separation between the business and the owner meaning the owner is responsible for all the business debt and their personal assets can be at stake during a legal proceeding.

Visit our HELPFUL LINKS tab for more information!

Note: You can choose to fill out the Business Entity Creation form located in the Helpful Links tab after your appointment.