

	<b>Sole Proprietorship</b>	<b>Partnership</b>	<b>LLP</b>	<b>FLP</b>	<b>Corporation</b>	<b>S Corporation</b>	<b>LLC</b>
<b>Formation</b>	<ul style="list-style-type: none"> <li>• 1 person</li> <li>• No Overt Action</li> </ul>	<ul style="list-style-type: none"> <li>• 2 or more</li> <li>• No overt action needed</li> <li>• Partners can be anyone</li> <li>• May be limited or general</li> </ul>	<ul style="list-style-type: none"> <li>• Need State Filing</li> </ul>	<ul style="list-style-type: none"> <li>• Usually 1 general share and 99 limited shares</li> <li>• Gift limited shares to heirs</li> </ul>	<ul style="list-style-type: none"> <li>• Separate entity</li> <li>• Need filing</li> </ul>	<ul style="list-style-type: none"> <li>• Same as C-corp except election with IRS</li> </ul>	<ul style="list-style-type: none"> <li>• Need state filings</li> </ul>
<b>MGT</b>	<ul style="list-style-type: none"> <li>• Sole Person does everything</li> </ul>	<ul style="list-style-type: none"> <li>• General Pship– all participate in MGT</li> <li>• Limited Pship– at least 1 general that participates in MGT and unlimited partners that DO NOT participate in MGT</li> </ul>	<ul style="list-style-type: none"> <li>• Same as General P’ship</li> </ul>	<ul style="list-style-type: none"> <li>• Same as LP</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders elect Board</li> <li>• Board appoints officers</li> </ul>	<ul style="list-style-type: none"> <li>• Same as C Corp</li> </ul>	<ul style="list-style-type: none"> <li>• Members decide</li> </ul>
<b>Liability</b>	<ul style="list-style-type: none"> <li>• Unlimited</li> </ul>	<ul style="list-style-type: none"> <li>• General P – unlimited</li> <li>• Limited P – Extent of Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Self – personally liable to extent of personal and business assets</li> <li>• Others – only business assets</li> </ul>	<ul style="list-style-type: none"> <li>• Same as LP</li> </ul>	<ul style="list-style-type: none"> <li>• Same as LP</li> </ul>	<ul style="list-style-type: none"> <li>• Same as C-Corp/LP</li> </ul>	<ul style="list-style-type: none"> <li>• Same as LP/C-Corp</li> </ul>
<b>Taxation</b>	<ul style="list-style-type: none"> <li>• Flow through to Sch. C on 1040</li> <li>• Income – OI Rates and SE tax</li> <li>• Can deduct losses against other income</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate %</li> <li>• General P – OI/SE</li> <li>• Limited P – OI</li> <li>• Flow through from 1065 to 1040</li> </ul>	<ul style="list-style-type: none"> <li>• Same as GP</li> </ul>	<ul style="list-style-type: none"> <li>• Same as LP</li> </ul>	<ul style="list-style-type: none"> <li>• Income taxed to Corp – 1120</li> <li>• Dividends Taxed to Individuals - 1040</li> </ul>	<ul style="list-style-type: none"> <li>• Flow through 1120S</li> <li>• Shareholders same as LP</li> </ul>	<ul style="list-style-type: none"> <li>• You choose</li> </ul>

Find out about Texas: <http://www.sos.state.tx.us/corp/index.shtml> and <http://tlo2.tlc.state.tx.us/statutes/bo.toc.htm>