

**Legal Structure**

**Comparison Sole Proprietor Partnership Limited Liability Company (LLC) "S" Corporation "C"**

**Corporation Organizational Expense**

	Low	Medium	High	High	High
<b>Liability Exposure to Owners</b>	Unlimited Personal Liability	Unlimited Personal Liability	Limited Personal Liability	Limited Personal Liability	Limited Personal Liability
<b>Owner Employment Status</b>	Self-Employed Owner	Self-Employed Partner	Self-Employed Member	Employee Shareholder	Employee Shareholder
<b>Employment Taxes</b>	Owner Avoids NJ UI, DI, & WC, FUTA	Owner Avoids NJ UI, DI & WC, FUTA	Owner Avoids NJ UI, DI & WC, FUTA	Owner Pays NJ UI, DI & WC, FUTA	Owner Pays NJ UI, DI & WC, FUTA
<b>Income Taxes Payments</b>	Quarterly Estimated Tax Payments	Quarterly Estimated Tax Payments	Quarterly Estimated Tax Payments	Payroll Withholding & Quarterly Payments	Payroll Withholding & Quarterly Payments
<b>Tax Return</b>	Personal Tax Return	Separate Business Tax Return  Profit Flows Through to Personal Return	Single Owner or Multi Owner Personal Tax Return  2 or More Owners:  Separate Business Tax Return  Profit Flows Through to Personal Return	Separate Business Tax Return  Profit Flows Through to Personal Return	Separate Business Tax Return
<b>Tax Rate</b>	Personal Rate	Personal Rate	Personal Rate	Personal Rate	Corporate Rate
<b>Double Taxation</b>	No	No	No	No	Potential for Double Taxation
<b>Owner Health Insurance Deduction</b>	Fully Deductible	Fully Deductible	Fully Deductible	Fully Deductible	Fully Deductible
<b>Continuity</b>	No	No	No	Yes	Yes
<b>Transferability</b>					
<b>Registrations</b>	<b>Local:</b> Maybe <b>County:</b> Trade Name  Registration <b>State:</b> NJ REG-Tax Reg Other Licensing  <b>Federal:</b>	<b>Local:</b> Maybe <b>County:</b> Trade Name  Registration <b>State:</b> NJ REG-Tax Reg Other Licensing  <b>Federal:</b>	<b>Local:</b> Maybe <b>County:</b> No Registration  <b>State:</b> NJ REG-Tax Reg Public Records Filing  <b>Federal:</b>	<b>Local:</b> Maybe <b>County:</b> No Registration  <b>State:</b> NJ REG-Tax Reg Public Records Filing NJ2553 <b>Federal:</b>	<b>Local:</b> Maybe <b>County:</b> No Registration  <b>State:</b> NJ REG-Tax Reg Public Records Filing  <b>Federal:</b>

EIN required  
if you  
have  
Employees

EIN required

EIN required

EIN required  
IRS For 2553

EIN required

## 1.3

This comparison should not be construed as professional (legal or accounting) advice regarding your selection of a legal business structure. Your decision should be made in conjunction with advice from an attorney and/or an accountant.