

	C Corporation	S Corporation	Limited Liab. Company (LLC)	Limited Liab. Partnership (LLP)	Sole Proprietorship
Limitation of liability and Perpetuity					
Limited Liability	Y	Y	Y	Y ¹	N
Perpetual life	Y	Y	Y	N	N
Basic steps to formation ²	Name reservation, incorporation, creation of Articles and by-laws, appointment of directors	Form a regular corporation or LLC and then make sub-chapter S election	Name reservation, incorporation, creation of Articles or organization and operating agreement	Requires oral or written partnership agreement, consult a professional	None
Ownership and classes of stock					
Max. number of shareholders	Unlimited	100	Unlimited members	Unlimited	Single owner
Eligibility	No limitation	US citizens and US permanent residents (natural persons only; most corporations disallowed)	No limitation (except if setup as an S-Corp)	No limitation	Physical persons
Minimum ownership	1	1	1 in many states (more than one advisable)	Two or more	1
Ownership by other corporate entities	Y	N	Y	Y	nmf
Classes of stock	Multiple	Single	Single	nmf	nmf
Required annual meetings	Y	Y	N	N	N
Taxation					
Flow through entity	N	Y	Y ³	Y	nmf
Double Taxation	Y	N	Y ⁴	N	N
Tax Flexibility	Low	Medium-High	Highest	Medium	Medium
Federal Tax Form(s)	1120	1120S	1040, 1120, 1120S or 1065 ³	1065	1040 (Schd. C)

nmf = not meaningful

¹ Liability is unlimited in the case of general partnerships

² Consult a professional for complete procedure – for guidance only; other operating permits, licenses and identification numbers may be required irrespective of corporate structure

³ If the LLC is treated either as a Sole proprietor, Partnership or S corporation

⁴ If the LLC is treated as a C corporation

Consult our CPA for advice on the suitable corporate structure for your business. Call or email us at incorporations@krishnanco.com