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| **Summary of Business Ownerships** |
|  | **Sole Proprietorship** |  **Partnership** | **Corporation** |
| **Ownership** | Single Person | 2 or More Persons or Entities | Unlimited Number of Shareholders |
| **Documents Needed to Form Entity** | None Required | File Certificate of Limited Partnership With The State | File Articles of Incorporation With The State |
| **Management** | Owner of Business | General Partner or Partner(s) | Corporation's Board of Directors |
| **Maintenance Document Requirements** | None Required | Need to Draft And Maintain a "Partnership Agreement" | Need To Maintain Minutes of Meetings and By - Laws |
| **Lifespan** | Terminates With Death or Disability of Owner | Generally For a Specific, Agreed - Upon Time PeriodPartnership May Be Terminated By Death, Withdrawal, Insolvency, or Legal Disability of a General Partner | Unlimited (Perpetual) Existence, Unless Dissolved by Directors or Revoked by State For Non - Compliance |
| **Liability** | UnlimitedOwner Personally Liable For All DebtsPersonal Property Can be Attached by Creditors to Settle Business Debts | UnlimitedGeneral Partners Are Jointly and Severally Liable For All Debts and Obligations of The Partnership | Shareholders' Liability Is Limited to Their Investment In The Corporation |
| **Taxation** | Owner Taxed On Business Profits Reported on Personal Income Tax  | Partners Taxed On Share of Partnership Income | Corporation Taxed on Profits, Shareholders May Have to Pay Taxes on Dividends |
| **Advantages** | Uncomplicated Ease of Formation Ease of Operation Low Cost of Operation No Corporate Income Tax | Division of Responsibilities Easier to Raise Capital No Corporate Income | Legal Entity Separate From Individuals Limited Personal Liability Continuity of Existence Continuity of Management Easier to Raise Capital Readily Transferable Interests |
| **Disadvantages** | Unlimited Personal LiabilityDifficulty in Raising Capital Lack of Credibility | Impermanence of ExistenceDifficult To Find Compatible PartnersAnnual Reporting Requirement | Subject to Government Regulations Annual Reporting Requirements Possible Double Taxation by Paying both Corporate and Personal Income Taxes on Profits |