

	Management	Liability	Federal Income Tax	Transferability
Sole Proprietorship	Owner controls all decisions alone.	Owner is personally liable for business debts.	Owner reports all income and expenses on personal tax return.	Continuity of business is uncertain if the owner wants to transfer the business assets or operation to another person. Business terminates upon owner's death or withdrawal.
Corporation	Shareholders appoint a board of directors, which elects officers who make the management decisions.	Generally no shareholder can be held personally liable for the debts, obligations or acts of the corporation beyond the amount of capital contributed.	Double taxation. The corporation pays tax on profit and shareholders pay tax on dividends.	Transferring corporate ownership is fairly easy, subject to the rules the corporation creates for its own shareholders.
S-Corporation	Shareholders appoint a board of directors, which elects officers who make the management decisions.	Generally no shareholder can be held personally liable for the debts, obligations or acts of the corporation beyond the amount of capital contributed.	Generally, the corporation pays no tax. Shareholders report pro-rata shares of corporate profit and loss on their individual tax returns.	Transferring corporate ownership is fairly easy, subject to the rules the corporation creates for its own shareholders.
Limited Liability Company	Members have management authority	Members are not liable for business debts.	LLC may elect to be taxed as a partnership, corporation, S-corporation or sole proprietorship.	Varies according by jurisdiction. Some states call for dissolution of the business upon death or withdrawal of a member.
General Partnership	Each partner has equal responsibility and authority to run the business.	Each partner is liable for all business debts.	The partnership does not pay taxes. Individual partners are taxed on his or her share of the business profits and losses.	Unless otherwise provided for in the partnership agreement, the death or withdrawal of a partner causes the partnership to dissolve.
Limited Partnership	General partners have management authority. Limited partners have little to no control over the partnership's management.	General partners are personally responsible for partnership liabilities. Limited partners are usually not liable for business debts beyond the amount of capital contributed.	The partnership does not pay taxes. Each individual partner is taxed on his or her share of the business profits and losses, but limited partners may be restricted from fully deducting passive losses.	Unless otherwise provided for in the partnership agreement, the death or withdrawal of the general partner causes the partnership to dissolve.