

## Business Matrix

Which business entity is right for you? Deciding the right entity is a critical step in getting the most benefits from your business. The chart below will help you evaluate the key differences between the most commonly used business entities. You need to decide which criteria are the most important for your business. Look at the Business Evaluation Criteria. It will help you determine which business entity is right for you. Generally, the Limited Liability Company best fits the needs of most of my clients.

**Rank the business evaluation criteria to see which entity is right for you.**

<b>Business Evaluation Criteria</b>	<b>RANK</b>	<b>Sole Proprietorship</b>	<b>General Partnership</b>	<b>LLP</b>	<b>LLC</b>	<b>S Corp</b>	<b>C Corp</b>
Liability protection from business debts		No	No	Low	Very High	High	High
Company Name Protection		No	No	Yes	Yes	Yes	Yes
Easy to maintain		Yes	Yes	Moderate	Moderate	No	No
May be owned by another company		No	Yes	Yes	Yes	No	Yes
May issue shares or interests		No	No	Yes	Yes	Yes	Yes
Tax Benefits		Low	Low	Low	High +	High	Very High
Double Taxes on Dividends		No	No	No	Maybe	No	Yes
Unlimited # of Owners		No	Impractical	Impractical	Yes	Controlled by Law	Yes
Non-US Owners Allowed		Yes	Yes	Maybe	Maybe	No	Yes
<b>Notes</b>		Default entity for individuals	Default entity for two or more people	Creates high exposure if incorrectly set up	Taxation entity is your choice	Can change active income to passive income	Almost every tax advantage, plus free transferability of interest