

# MAKE IT LEGAL

Let's breakdown the differences between LLC, Sole Proprietorship, & S Corp.  
This chart is here to help steer you in deciding which route to go when starting up your biz.

	Sole Proprietorship	LLC	S Corp
# of Owners you can have	1 Max	Unlimited Owners	- Up to 100 Shareholders - Must have a Board of directors
Taxes	- Avoid "double taxation" - Expenses are reported on your personal tax return	- Income is reported on the owner's personal tax return or the owner can choose to be taxed like an S Corp	- May not pay taxes on all revenue of the business
Protection	- NO PROTECTION - If sued, personal assets are vulnerable	- Keep your business finances separate - Personal assets are protected if sued.	- Keep your business finances separate - Personal assets are protected if sued.
Cost Difference	- Cheap & Easy to set up	- Does have startup costs that differ from each state. - Must pay annual reports and EIN set up	- Costs are a lot higher than a Sole Prop and an LLC.. - Lawyer Fees, Filing Fees, Tax prepayment, etc.
Great for...	- Hobbies - One person business	- Small business that is starting to make more	- Better for smaller corporations looking to expand
Need a lawyer to start?	- No paperwork needed - Depending on the business you may need a DBA and/or business licenses	- It is recommended to have a lawyer to make sure you have all the legal documents for your state but, not necessary.	- Yes, you need to have a lawyer to make sure you have all the legal documents for your state and filed accordingly.