

Comparing Business Entities

Entity	Protection From Personal Liability	Formalities	Transfer of Ownership	Perpetual Existence	Tax Benefits	Ease of Creation	Cost	Used by Small Businesses
Sole Proprietorship	No	Few	Easy	No	None	Easy	Minimal	Often
General Partnership	No	Few	Difficult (Partner's approval)	No	None	Moderate (Partnership agreement)	Minimal	Fairly Often
Limited Partnership	Limited Partners Only	Need Partnership Agreement	Yes	No	Some	Medium	Moderate	Rarely
C Corporation	Yes	Many	Easy	Yes	Many	Difficult	Expensive	Rarely
S Corporation	Yes	Many	Moderate (Must find a buyer)	Yes	Many	Difficult	Expensive	Fairly Often
Limited Liability Company	Yes	Moderate	Easy	Yes	Many	Moderate	Moderate	Often