

**TABLE 6 Comparison of Forms of Business Ownership**

Factor	Partnership			Corporation		
	Sole Proprietorship	General	Limited	C Corporation	S Corporation	Limited Liability Company
<b>Number of owners allowed</b>	1	Unlimited number of general partners allowed	Unlimited number of general and limited partners allowed	Unlimited	Up to 100	Unlimited number of "members" allowed
<b>Cost of setting up and maintaining</b>	Low	Moderate	Moderate	High	High	High
<b>Personal liability of owners</b>	Unlimited	Unlimited for all partners	Unlimited for general partners; limited partners only to extent of investment	Limited to amount of investment	Limited to amount of investment	Limited to amount of investment
<b>Continuity of business</b>	Ends at death of owner	Death or withdrawal of one partner unless otherwise specified	Death or withdrawal of general partner	Perpetual	Perpetual	Typically limited to a fixed amount of time
<b>Taxation</b>	Not a taxable entity; sole proprietor pays all taxes	Not a taxable entity; each partner pays taxes on his or her share of income and can deduct losses against other sources of income	Not a taxable entity; each partner pays taxes on his or her share of income and can deduct losses against other sources of income	Separate taxable entity	No tax at entity level; income/loss is passed through to the shareholders	No tax at entity level if properly structured; income/loss is passed through to the members
<b>Management control</b>	Sole proprietor is in full control	All partners share control equally, unless otherwise specified	Only general partners have control	Board of directors elected by the shareholders	Board of directors elected by the shareholders	Members share control or appoint manager
<b>Method of raising capital</b>	Must be raised by sole proprietor	Must be raised by general partners	Sale of limited partnerships, depending on terms of operating agreement	Sell shares of public	Sell shares of public	It's possible to sell interests, depending on the terms of the operating agreement
<b>Liquidity of investment</b>	Low	Low	Low	High, if publicly traded	Low	Low
<b>Subject to double taxation</b>	No	No	No	Yes	No	No