

Type	Sole Proprietorship	Partnership	Limited Partnership	LLP	LLC	Corporation	
Description	One person doing business; file a d/b/a if using a trade name	Two or more persons carrying on a business for profit; file a d/b/a if using a trade name	Same as Partnership, but with general partner(s) managing business Limited partner(s) can not participate in management of business	Same as Partnership, but partners obtain limited liability with continuous annual registration	One or more persons organized as LLC - Member-Managed (all owners active) (not recommended if there will be passive investors) or - Manager-Managed (only managers active) (recommended if there may be passive investors)	One or more persons organized as a Corporation; Directors and Officers manage business owned by shareholders who are not active as shareholders in management of business (unless Close Corporation status is elected)	
						<u>S-Corporation</u> (US residents only) Corporation elected to be taxed as a partnership (no tax at corporate entity level); limit of 100 qualified shareholders (family members count as one shareholder), one class of stock, and no subsidiaries	<u>C-Corporation</u> Corporation taxed at both the corporate entity level and at the individual shareholder distribution level
Liability	Unlimited personal liability	Unlimited personal liability for your actions and actions of your partners	- limited partner(s) have limited liability - general partner(s) have unlimited liability	Limited liability* unless break in annual registration *can become unlimited under certain facts	Limited liability* *can become unlimited under certain facts	Limited liability* *can become unlimited under certain facts	Limited liability* *can become unlimited under certain facts
Tax	- No Margins Tax - Income Tax (Fed) - Estate Tax	- No Margins Tax - Income Tax (Fed) - Estate Tax	- Margins Tax - Income Tax (Fed) - Estate Tax	- Margins Tax - Income Tax (Fed) - Estate Tax	- Margins Tax - Income Tax (Fed) - Estate Tax	- Margins Tax - Income Tax (Fed) - Estate Tax	- Margins Tax - Income Tax (Fed) - Estate Tax
Costs	- If using a trade name, fees for filing in each county in which doing business (\$18+ in Cameron Co.) - No Attorney's Fees	- If using a trade name, fees for filing in each county in which doing business (\$18+ in Cameron Co.) - Attorney's Fees if written partnership agreement	- \$750 filing fee for limited partnership + additional \$300 fee if Corp/LLC general partner - If using a trade name, \$25 fee for filing with Secretary of State, + primary office county filing fee - Attorney's Fees	- \$200 registration fee per partner per year - If using a trade name, \$25 fee for filing with Secretary of State, + primary office county filing fee - Attorney's Fees if written partnership agreement	- \$300 filing fee - If using a trade name, \$25 fee for filing with Texas Secretary of State, + primary office county filing fee - Attorney's Fees	- \$300 filing fee - If using a trade name, \$25 fee for filing with Secretary of State, + primary office county filing - Attorney's Fees	- \$300 filing fee - If using a trade name, \$25 fee for filing with Secretary of State, + primary office county filing - Attorney's Fees

TEXAS BUSINESS ENTITY COMPARISON TABLE
(as of March 2012; subject to change)

Useful Web Site: www.sos.state.tx.us

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