

What Is Your Entity Type?



State
Entities



Taxation
Classifications

Understand the difference between a legal entity that is formed in your state, and the taxation classification by the IRS

The information provided does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available for general informational purposes only. Information may not constitute the most up-to-date legal or other information. For more information consult with your attorney or tax advisor. No reader, user, or browser should act or refrain from acting on the basis of this information without first seeking legal advice or counsel in the relevant jurisdiction.

DBA or Single Member LLC

The IRS considers you a:

Disregarded Entity

Your business is reported on:

Schedule C (1040 Return)

You can expect net profits to be
taxed:

SE Tax 15.3%

*and your federal tax rate on income

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Multi-Member LLC

The IRS considers you a:

Partnership (Pass-Thru Entity)

Net profit/loss passes to the partners for taxes

Your business is reported on:

1065 (K1 Forms filed & issued)

You can expect net profits to be
taxed:

SE Tax 15.3%

*and your federal tax rate on income

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S Corporation Election

Understand and consult with an advisor on the requirements and benefits of the S-corp before making this election

The IRS considers you a:

Pass-Thru Entity

Net profit/loss passes to the partners for taxes

Your business is reported on:

1120S (K1 Forms filed & issued)

You can expect net profits to be taxed:

As ordinary income. No SE TAX

*and your federal tax rate on income plus taxes on wages.

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