

Thomas Legal, PLLC	LLC	Corporation
Liability	Protects the personal assets of members from business debts, lawsuits, and obligations. Members are typically not personally responsible for company liabilities beyond their investment in the business.	Protects the personal assets of shareholders from business debts, lawsuits, and obligations. Shareholders are typically not personally responsible for company liabilities beyond their investment in the business.
Taxation	Usually taxed as a “pass-through” entity, meaning profits and losses are reported on members’ personal tax returns. Offers flexibility to elect corporate taxation if beneficial.	Subject to double taxation: profits are taxed at the corporate level, and dividends are taxed again on shareholders’ individual returns. Can elect S Corporation status to allow pass-through taxation and avoid double taxation if eligibility rules are met.
Management	Very flexible structure that can be managed directly by the members or by appointed managers. This allows the business to adapt its management structure to fit its size and goals.	More formal and structured. Managed by a board of directors responsible for major decisions, while daily operations are handled by officers (CEO, CFO, etc.). Requires a clear hierarchy and corporate governance.
Upkeep	Generally easier and less expensive to maintain. Requires simple annual filings with the state and minimal reporting requirements. Meeting minutes and formal records are not typically necessary unless required by the operating agreement.	Requires more extensive upkeep, including annual shareholder meetings, board meetings, maintaining corporate minutes, issuing stock, and adhering to strict state and federal corporate compliance requirements.