

Types of Business Organization- Answer Key

	Ease/Cost of Start-Up	Ease of Transfer	Taxation	Liability
Sole Proprietor	Very easy Low cost	Difficult	Personal tax rates	Unlimited Liability
General Partnership	Easy Low cost	Difficult	Personal tax rates	Unlimited Liability
Limited Partnership	Moderate Low cost	Difficult	Personal tax rates	Limited liability for the limited partner. Unlimited liability for the general partners.
C-corporation	Harder Relatively high costs	Very easy	Corporate tax rates May face double taxation	Limited liability for owners
S-corporation	Harder Relatively high costs	Relatively easy	Personal tax rates	Limited liability for owners
Cooperative	Harder Relatively high costs	Moderately difficult	Corporate tax rates may apply	Limited liability for owners
Limited Liability Company (LLC)	Hardest Highest cost	Relatively easy	Personal tax rates (usually)	Limited liability for owners