# Quick Guide to Choosing a Business Structure

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| Sole Proprietorship | A one-owner business | - Easiest to form  
- Full ownership  
- Simple to run  
- Do not need to incorporate | - No legal protection  
- Owners responsible for all business debt and liability |
| Partnership | Business with more than one owner | | |
| Single Member LLC | Taxed like sole proprietorship but limits liability | - Easy to form  
- Limits liability  
- Simpler to run than corporation  
- Ideal for small startup business | - Less favorable tax treatment than corporations  
- Customers must provide 1099 yearly |
| Multi Member LLC | Taxed like partnership but limits liability | | |
| C Corporation | Has legal existence distinct from its owners | - Limited liability  
- Favorable tax breaks  
- Close corp has relaxed rules for governance | - More effort/expense to form and run  
- Board of directors manages  
- Shareholders can take over management of Close Corp |
| S Corporation | Has its own legal existence; shareholders share tax burden | | |
| Close Corporation | Small corp without strict formalities | | |
| Benefit Corporation | Same legal structure as C Corp, plus social and environmental responsibility | - Triple bottom line approach  
- Attracts investors, employees  
- Similar benefits to C Corp and S Corp | - Yearly audit required  
- Benefit Company structure not widely available |
| Benefit Company | The LLC version of Benefit Corporation | | |
| Nonprofit | Organization with a mission to serve the public interest | - Donations to 501(c)(3) nonprofit are tax-deductible  
- Nonprofits don't pay, but do file, taxes  
- Eligible for more grants  
- Favorable role in community | - High effort to incorporate/run  
- Business founder does not own company  
- Board makes decisions  
- No one structure for Cooperatives |
| Cooperative | Business owned and controlled by members; can be for-profit or non-profit | | |