



A word on corporate business structure...

Entity structure for a new business can be confusing to new businesses. The four structures:

1. **Sole Proprietor** – An individual doing business
2. **Partnership** – Same as a Sole Proprietor, just with more than one person
3. **S-Corporation** – A legal entity, separate from the individual. It can be an individual, small company of 1-2 people up to an entity with multiple companies, divisions or locations. It must be filed with the state and has annual requirements like board meetings and minutes, and tax filling is complex; usually requiring an accountant's help. The individual is only liable for anything they personally guaranty like a company vehicle purchase. Their personal cash, home, and other assets are protected.
4. **LLC** – A hybrid of the S-Corp and a sole proprietor. It's much simpler than an S-Corp but limits the owner's liability to the amount of their investment in the business. Again, personal assets are protected.

In making the decision of which way to go, it's personal and depends on size and intent. Starting up an S-Corp costs about \$125 and you likely will need the help of an attorney or accountant to do it correctly which is an additional cost.

An LLC can be established online at www.sunbiz.org, but it's not for novice internet users as it can be confusing. LLCs are the entity the vast majority of startups and small businesses organize as. It costs about \$160 with the state, but requirements and tax filing are simpler. Many would still need professional help to set it up correctly. Most businesses should have the legal protections that an LLC affords.

In general, if someone is a one-person business, with no employees, in the service business: e.g. painter, pressure washer, and especially if they do it part time, sole proprietor suffices. It's much simpler and so long as they secure liability insurance, they're in protected until their business grows to the point where it has more complexity. They can form an LLC at that point.

Once the entity is established, the business is ready to secure a Fictitious Name also on sunbiz.org and register for an EIN# on irs.org. The total cost is \$10-\$80. Then they can file for their Business Tax Receipt (BTR) with the city and/or county where they are established.

Here's [a link that has more detail](#).