

Comparison of Business Entities

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<i>Characteristic</i>	<i>Limited Liability Company (LLC)</i>	<i>"S" Corporation</i>	<i>"C" Corporation</i>
Restrictions on owners	None	No more than 100; only individuals who are U.S. citizens and resident aliens and certain trusts	None
Liability of owners for obligations of entity	None, except 10 members with largest interests liable for employees' wages	None, except 10 largest shareholders liable for employees' wages	None, except 10 largest shareholders liable for employees' wages
Federal taxation of entity	Pass-through to members	Pass-through to shareholders	Income tax at corporate level and on distributions to shareholders
NYC taxation of entity	4%	8.85%	8.85%
Documents	Articles of Organization; Operating Agreement; Publication requirement	Certificate of Incorporation; Bylaws; Shareholders' Agreement; Board Resolutions; Stock Certificates; S Corporation Election	Certificate of Incorporation; Bylaws; Shareholders' Agreement; Board Resolutions; Stock Certificates
Management	Managers or members	Board of Directors; Officers	Board of Directors; Officers