

## Entity Selection

One of the most important decisions that you will have to make in connection with starting a business is the legal form in which to operate your business.

Moreover, as your business grows, you may consider changing forms to accommodate more owners, a different capital structure, or a need to shield your growing wealth from business liability.

There are several choices:

- \* a sole proprietorship
- \* a partnership
- \* a limited liability company
- \* a corporation (including a regular "C" corporation or an S corporation)

As you can imagine, there are significant income tax consequences that flow from each of these choices. But don't forget to weigh the tax issues against the non-tax issues, such as what type of business form will best help you to operate and grow the business, and what form, at your death, will make it easier for you to pass along the business to your heirs as a going concern if you desire.