

Thirteen Factors In Selecting the Proper Form of Business Entity

1. How many owners will there be? Will it be a family business, or, owned by unrelated parties?
2. What will be the extent of each owner's involvement in the business? (full or part time, passive investor, manager, employee, etc).
3. My goals for the business are:
 - One Year Goal:
 - Five Year Goal:
 - End Goal:
4. Is this a brand new business, or is it being merged with, or created from, an existing business?
5. What will be the amount of the initial investment of money, property, or other assets?
6. Will the business own any real estate?
7. How many employees do I anticipate the business will need in its first year of operation?
8. Will I do my own payroll, bookkeeping, and regulatory filings?
9. Do I need any special permits for the type of business I am going to operate?
10. Will the business operate in multiple states? If so, what permits, licenses, or tests do I need to undergo in each state?
11. Which type of business entity will be the easiest for me to operate, given the type of work I will be doing?
12. Which type of business entity will provide the most favorable tax treatment in my situation?
13. Which type of business entity will allow for the greatest protection of my personal liability?