

# HUNTER BOOKS COMPANY LLC

## BUSINESS ENTITY COMPARISON GUIDE

Tax treatment, liability, and key benefits across every major business structure — side by side.

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	<b>Sole Proprietor</b> <i>Schedule C / 1040</i>	<b>Single-Member LLC</b> <i>Disregarded Entity</i>	<b>Multi-Member LLC</b> <i>Partnership / 1065</i>	<b>S-Corporation</b> <i>Form 1120-S</i>	<b>C-Corporation</b> <i>Form 1120</i>	<b>Partnership</b> <i>Form 1065</i>
<b>TAXATION</b>						
<b>Tax Structure</b>	Pass-through	Pass-through	Pass-through	Pass-through	Entity-level tax	Pass-through
<b>Federal Return Filed</b>	Sch C / 1040	Sch C / 1040	Form 1065	Form 1120-S	Form 1120	Form 1065
<b>Self-Employment Tax</b>	15.3% on profit	15.3% on profit	15.3% on profit	On salary only	Not applicable	15.3% on profit
<b>QBI Deduction (20%)</b>	Yes	Yes	Yes	Yes	No	Yes
<b>Double Taxation</b>	None	None	None	None	Yes — dividends	None
<b>KEY DEDUCTIONS &amp; TAX BENEFITS</b>						
<b>Home Office</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Health Insurance Deduct.</b>	Self-employed adj.	Self-employed adj.	Self-employed adj.	Via payroll/W-2	Full company exp.	Self-employed adj.
<b>Retirement Plans</b>	SEP-IRA / Solo 401k	SEP-IRA / Solo 401k	SEP-IRA / 401k	401k / SIMPLE IRA	401k / Pension	SEP-IRA / 401k
<b>Fringe Benefits</b>	Very limited	Very limited	Limited	Moderate	Full corporate range	Limited
<b>Vehicle / Mileage</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Start-Up Cost Deduction</b>	Yes — up to \$5K	Yes — up to \$5K	Yes — up to \$5K	Yes — up to \$5K	Yes — up to \$5K	Yes — up to \$5K
<b>LEGAL STRUCTURE &amp; LIABILITY</b>						
<b>Personal Liability</b>	Unlimited	Protected	Protected	Protected	Protected	General: Unlimited
<b># of Owners/Members</b>	1 person only	1 person only	2 or more	Up to 100 shareholders	Unlimited	2 or more
<b>Formation Required</b>	None	Articles of Org.	Articles of Org.	Articles of Inc.	Articles of Inc.	Partnership Agmt
<b>Ease of Setup</b>	Simplest	Very easy	Easy	Moderate	More complex	Easy
<b>Investor Friendly</b>	No	No	Limited	Yes	Yes — preferred	Yes
<b>BEST FOR / IDEAL USE CASE</b>						
<b>Best Stage</b>	New / testing idea	Solo freelancer	Small partnerships	Growing profitable biz	Seeking investors	Joint ventures
<b>Profit Distribution</b>	Owner keeps all	Owner keeps all	Per agreement	Pro-rata only	Dividends declared	Per agreement
<b>Ideal For</b>	Freelancers / gigs	Contractors / LLCs	Co-owned businesses	S/E tax savings	Raising capital	Real estate / JVs

KEY: ■ Green = Favorable ■ Red = Unfavorable ■ White/Gray = Neutral | This guide is for educational purposes only. Consult a tax professional for advice specific to your situation.

### Not sure which structure is right for you? We can help.

Hunter Books Company works with business owners at every stage to choose the right entity, minimize taxes, and build a solid financial foundation. Reach out for a no-obligation consultation.

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