

## SUMMARY OF MAINE BUSINESS ENTITY FORMS

*(It is always important to consult your attorney before making important legal decisions.)*

<b>BUSINESS TYPE</b>	<b>LIABILITY</b>	<b>NUMBER OF OWNERS</b>	<b>TYPE OF OWNERS</b>	<b>TAXATION</b>
<b>Sole Proprietors</b>	<b>Owner's personal and business assets fully at risk for all business liabilities and debts.</b>	<b>One</b>	<b>No Restrictions</b>	<b>Business income/losses included in personal income tax return</b>
<b>General Partnership</b>	<b>Each partner's personal and business assets at risk for all business liabilities and debts.</b>	<b>At least two partners</b>	<b>Any individual or entity may be a partner.</b>	<b>Partnership files return, but business income/losses included in partners' personal income tax returns.</b>
<b>Limited Partnership</b>	<b>General partner liable, limited partners have no liability for business debts.</b>	<b>At least one general and one limited partner.</b>	<b>Any individual or entity may be a general or a limited partner. Limited partners cannot exercise any control or direction over the business.</b>	<b>Partnership files return, but business income/losses included in partners' personal income tax returns.</b>
<b>"C" Corporation</b>	<b>No share holder liability for business debts.</b>	<b>No restrictions</b>	<b>No restrictions</b>	<b>Corporation files return and pays tax on income.</b>
<b>"S" Corporation</b>	<b>No share holder liability for business debts.</b>	<b>1 to 100 shareholders</b>	<b>Aliens and corporations may not be shareholders.</b>	<b>Corporation files return, but income/losses included in shareholders' personal income tax returns.</b>
<b>Limited Liability Company</b>	<b>Shareholders not liable for business debts.</b>	<b>No restrictions</b>	<b>An individual or entity may be a member.</b>	<b>Company files return, but income/losses included in shareholders' personal income tax returns.</b>
<b>Limited Liability Partnership</b>	<b>Partner is fully liable for own professional negligence or supervised personnel. Maximum \$300,000 liability for professional negligence of other partners: "Full Shield" protection for all claims related to professional practice.</b>	<b>At least 2</b>	<b>Professional as defined by Maine Professional Services Corporation Act Title 13 Section 723 Part 7</b>	<b>Partnership files return, but income/losses included in individual partners' income tax returns.</b>