

Choose a Business Structure Comparison Chart

A Brief Comparison of Types of Business Organizations

Type	NC Governing Statute	Document Filed to Create	Ownership	Management	Owner Liability	Federal Income Taxation	Annual Report Required to SOS
Sole Proprietorship	N/A	N/A	One Person	One Person	Unlimited	Flow through sole proprietor	No
General Partnership	NCGS 59 Article 1, Article 2, Article 3, Article 3a, Article 4	N/A	General Partners	General Partners	Unlimited	Flow through partners	No
Business Corporation "C-Corp"	NCGS 55 NCGS 55D	Articles of Incorporation	Shareholders	Board of Directors	Limited to capital contributions	Income taxed to corporation; dividends taxed to shareholders	Yes
Business Corporation "S-Corp"	NCGS 55 NCGS 55D	Articles of Incorporation	Shareholders	Board of Directors	Limited to capital contributions	"S-Corp" is a tax election. Flow through to shareholders	Yes
Nonprofit Corporation	NCGS 55A NCGS 55D	Articles of Incorporation	Members	Board of Directors	No liability for members/board of directors	No tax on income	No
Limited Liability Company	NCGS 55D NCGS 57D	Articles of Organization	Members	Managers	Limited to capital contributions	Flow through to members or taxed as "C-Corp"	Yes
Limited Partnership	NCGS 59 GS 1101 - GS 1106	Certificate of Limited Partnership	General and Limited Partners	General Partners	Unlimited for GPs; limited to capital contributions for LPs	Flow through to partners	No

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Limited Liability Limited Partnership	NCGS 59 GS 210	1. Registration of an LLLP if already registered as an LP. 2. Certificate of LP including registration as LLLP.	General Partners and Limited Partners	General Partners	Limited to capital contributions for both general partners and limited partners.	Flow through to partners	Yes
Limited Liability Partnership (RLLP)	NCGS 59 GS 45 GS 84.2 - GS 84.3	Application for Registration as LLP	General Partners	General Partners	Unlimited for general obligations; limited to capital contributions for professional services of partners	Flow through to partners	Yes
Professional Corporations or LLCs	NCGS 55 NCGS 55B NCGS 57D	Articles of Incorporation or Organization	Licensee Shareholders or Members	Board of Directors or Managers	Unlimited for professional service provided	Income taxed to corporations; dividends taxed to shareholders or members	No