*If the business is sued, or partner absconds with funds, other partners are held personally liable

III. Corporations

- A legal entity like a person
- Most are small firms (In the USA, most corporations are small or medium size)
- Owned by stockholders
- Even more easier to raise money E.g selling stocks
- Most are PRIVATELY held/owned (info based on US economy)

- Advantages
    1. **Limited Liability**
    2. Potential Perpetual life
    3. Pays lower federal income taxes
    4. Can sell companies stocks and assets to raise money
- Disadvantages
    1. Pay a charter fee
    2. Needs a lawyer or legal team
    3. **Taxed multiple times**: Pay federal corporate income taxes (amount depends on the state and some states may not even tax you at all) as well as personal income taxes

    *Florida and Texas has some of lowest or virtually nonexistent corporate taxes

Business Population and Shares of Total Sales Based on 2012

New Hybrid Types of Businesses

I. Limited Partnerships
II. S Corporations
III. Limited Liability Proprietorships (LLP)

- Advantages
    1. Do not pay corporate income taxes
    2. Taxed solely on the individual's profit levels
    3. Limited and minimal legal risk to investors