

**AKD Consultants**  
Adam Dworkin  
CPA  
188 Whiting Street  
Suite 10  
Hingham, MA 02043  
781-556-5554  
Adam@AKDConsultants.com

## Comparison of LLCs, LLPs, and Professional Corporations





## Comparison of LLCs, LLPs, and Professional Corporations

	Professional C corporation	Professional S corporation	Limited liability company (LLC) <sup>1</sup>	Limited liability partnership (LLP)
<b>Limited liability</b>	Yes <sup>2</sup>	Yes	Yes	Yes
<b>Pass-through tax treatment</b>	No	Yes	Yes	Yes
<b>Difficult to form/maintain</b>	Yes	Yes	Somewhat	Somewhat
<b>Continuity of life</b>	Yes	Yes	State law may limit LLC life to a set number of years <sup>3</sup>	No
<b>Centralized management</b>	Yes	Yes	Generally yes, since members can elect a committee of managers	Generally no, but the partnership agreement can centralize somewhat
<b>Interests freely sold/transferred</b>	Only within specified profession(s) or specialty(ies)	Only within specified profession(s) or specialty(ies) and not to ineligible "S" shareholders	Yes, but transferee often has more limited rights, unless all other members approve sale/transfer	No
<b>Available in all states</b>	Yes	Yes	Yes	No
<b>Minimum number of owners</b>	One	One	Generally two	Two

<sup>1</sup> Assumes that the LLC opts for tax treatment as a partnership.

<sup>2</sup> Professionals remain liable for their own professional negligence.

<sup>3</sup> Generally, termination dates for LLCs provided for under state law may be overridden in the LLC agreement.

## IMPORTANT DISCLOSURES

Broadridge Investor Communication Solutions, Inc. does not provide investment, tax, or legal advice. The information presented here is not specific to any individual's personal circumstances.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.

### **AKD Consultants**

Adam Dworkin

CPA

188 Whiting Street

Suite 10

Hingham, MA 02043

781-556-5554

Adam@AKDConsultants.com

