

# Choice of Entity

## Course Description

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This mini-course describes and compares sole proprietorships, partnerships, limited liability companies, “C” corporations and “S” corporations. It examines their advantages and disadvantages, permitting the participant to properly select the right business entity for their tax and liability needs.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 3 (CPA, EA)

**Category:** Taxes

**Prerequisite:** General understanding of federal income taxation.

**Advanced Preparation:** None

## Course Learning Objectives

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### Lesson 1: Choice of Entity

1. Cite the central differences among business entities and the advantages and disadvantages associated with basic business entity types.
2. Recognize the tax attributes sole proprietorships, partnerships, LLCs, S corporations and C corporations and how each entity can be used to enhance tax and financial purposes and objectives.
3. Specify the unique (e.g., self employment) and general taxes applicable to particular entities and the tax forms that may be required.
4. Identify the basic deductions that are permissible for each entity type and the conditions under which they are allowed.
5. Determine the tax years, accounting methods and valuation methods that each entity type may use, and how the entities can be terminated.
6. Specify for different entity types the basis and the tax effect of sales, exchanges, transfers, contributions and distributions.