Which Structure is For You?

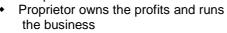
Sole Proprietorship

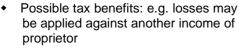
Unincorporated business owned by one person, called a "proprietor". The owner does not have separate legal status from the business (although the business name itself may have to be registered) and pays personal income tax on the net taxable income generated by the business

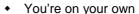


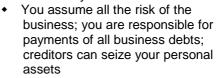
Simplest and least expensive to set up, minimal registration requirements

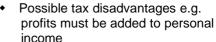


















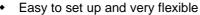




Partnership

An association or relationship between two or more individuals or corporations that join together to operate a trade or business for profit. Partners include their share of income or losses on personal or corporate income tax returns.





Partners provide additional capital and skills

- If disagreements arise, business can suffer
- Partners assume personal liability for debts of the business





Incorporation

A separate legal entity which can enter into contracts and own property, separately and distinctly from its owners who are the shareholders. A corporation has to pay tax on its net taxable income and file its own income tax return. A corporation can be federally or provincially incorporated.







- Limited liability of the owner(s)liabilities generally limited to individual's personal investment in the business
- Money for the business can be raised by selling shares (equity) or by issuing debt (a promise to pay)
- Paperwork required to meet regulations can be onerous
- Tax rules can be complex
- More expensive and complicated to set and maintain



