

Is an LLC Right For You?

If you are starting a business, it is vital to have solid legal counsel on your side. Especially at the outset, business formation and entity structuring are important steps for an entrepreneur or collaborative investors. The form that you decide to use for a business can have a significant impact on your profits, liabilities and growth potential. Indianapolis, IN Business attorney Barbara J. Baird works with individuals and companies, whether they are seeking to establish a business entity or need assistance in dealing with an already existing one. Attorney Baird provides them with information regarding the legal consequences of various entity formations, including taxes, the ability to take distributions, and personal liability. One of the advantages of LLCs is that they allow sole business owners and small partnerships to protect themselves from personal liability. However, the failure to follow certain formalities can jeopardize this protection and Attorney Baird can advise and assist the small entrepreneur to preserve limited liability.

Barbara J. Baird helps you protect and grow your business into the future. She works with clients to show them the advantages of starting their company as an LLC. Some of these advantages include:

- LLCs have fewer corporate formalities. While corporations must hold regular meetings of the board of directors and shareholders and keep written corporate minutes, members and managers of an LLC need not hold regular meetings, which reduces complications and paperwork, and

saves you time. LLCs are therefore usually more suitable for sole proprietors and partnerships.

- LLCs have no ownership restrictions. S corporations cannot have more than 100 shareholders. Each shareholder must be an individual who is a U.S. resident or citizen. Also, it is difficult to place shares of an S corporation into a living trust. These restrictions do not apply to LLCs or C corporations.
- LLCs have the ability to deduct operating losses. Members who are active participants in an LLC's business can deduct many of the operating losses against their regular income. While S corporation shareholders can also deduct operating losses, C corporation shareholders cannot.
- LLCs have tax flexibility. LLCs are treated like a sole proprietorship or partnership for tax purposes. However, an LLC can also elect to be treated like a corporation for tax purposes, whether as a C corporation or an S corporation. This allows the tax advantages of corporate taxation without the formality and structural complexity of a corporation.

If you are interested in starting an LLC, Indiana business lawyer Barbara J. Baird can provide you with the legal guidance and assistance you need to successfully accomplish your goals. Contact Attorney Baird at her office in Indianapolis at (317) 426-9334 today to discuss your case.