WORKSHEET
ALTERNATIVE BUSINESS ORGANIZATION FORMS

C Corporations
S Corporations

E Corporation
E Corporation

Note: This chart outlines the business entity choices among the most common entities (as recognized for federal tax purposes).

Maximum income Tax Rates
on Individuals and Corporations
1913 - 2005

Note:
1) The corporate capital gains tax rate for individuals is not illustrated on the chart.
   Individuals 35.8% 15% 10% 0%
   Corporations 35% 35% 35% 35%

Maximum Corporate Income Tax Rate
Highest Individual Income Tax Rate
Dividend Tax Rate for Individuals (2013-2019)
Charts Showing Entity Ownership Structures
Domestic Ownership Structure for Corporation

**Sole Shareholder**

CORPORATION
(organized under state law)

Organization of One Owner Limited Liability Company
(Current U.S. Tax Reporting)

U.S. Corporation
Or
U.S. Individual

Limited Liability Company
(treated as disregarded entity)
One Person Limited Partnership
Ownership Structure

Individual

100% Individual Owner

S Corporation

1% General Partner

Limited Partnership

99% Limited Partner

Limited Liability Company
Joint Venture
Ownership Structure

Individual Owner One

50% Member

Limited Liability Company

Individual Owner Two

50% Member
Corporate Joint Venture

Ownership Structure

Corporation or Individual Owner One

Corporation or Individual Owner Two

50% Member

Corporation

50% Member

Organization of Foreign Subsidiaries-
Same Country Holding Company Structure

U.S. Corporation (or U.S. individual)

Foreign Subsidiary One (Country X)

Foreign Subsidiary Two (Country X)
Organization of One Owner Limited Liability Company

(Current U.S. Tax Reporting)

(two foreign jurisdictions)

U.S. Corporation

Foreign Country Limited Liability Company (treated as disregarded entity)
Activities in Country X

Branch
Country X or Country Y

Organization of Domestic Subsidiary
Two Foreign Jurisdictions
Operations in Second Foreign Jurisdiction
Use of Limited Liability Company

U.S. Corporation

Domestic Subsidiary (activities in Country X)

Limited Liability Company (treated as disregarded entity)
Country Y
Organization of Foreign Subsidiary
Two Foreign Jurisdictions
Operations in Second Foreign Jurisdiction
Use of Limited Liability Company

U.S. Corporation

Foreign Subsidiary
Organized in Country X

Limited Liability Company
(treated as disregarded entity)
Country Y

Organization of Foreign Subsidiary
Multiple Third Country Branches
(Branches or Single Member LLCs)

U.S. Corporation

Foreign Subsidiary
(Country X)

Country A Branch
Country B Branch
Country C Branch
Country D Branch
Organization of Joint Venture Partnership

(Current U.S. Tax Reporting)

U.S. Corporation

100% Owned

U.S. Subsidiary

Foreign Corporation (country X)

Limited Liability Company or Partnership (country X)

Chart Showing Use of Special Purpose Subsidiary Structure in Foreign Context to Enable Limited Liability Status Without Joint IRS Form 8832 Election

Special Purpose Subsidiary Structure
In Foreign Context to Enable Limited Liability Status Without Joint Election

U.S. Parent Corporation

\[100\%\]

Special Purpose Third Country Limited Liability Company (e.g., Cayman Islands)

50% Interest – No limited liability in local country

Local Country Joint Venture

50% Interest – Limited Liability

Local Country Non-Per Se Entity (e.g., partnership)