



Moore School of Business

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Employer Identification Number and Tax Liability Notes

The four business best friends:

- Certified Public Accountant
- Insurance Agent
- Banker
- Lawyer

You will need a federal EIN (employer identification number) if:

- You have employees, or
- You are a partnership (general or limited), or
- You are an "S" or "C" corporation, or
- You are an LLC that has opted to be taxed as a partnership, or S corporation, or C corporation

If you are a:	You may be responsible for:
Sole Proprietor	Income tax on projected income, which is paid in quarterly estimates Self-employment tax (if you make more than \$400 per year) Payroll taxes (FICA, medicare, federal/state income tax withheld) FUTA (federal unemployment tax act) and SUTA (state)
Partnership	Income tax on projected income, which is paid in quarterly estimates Self-employment tax Payroll taxes (FICA, medicare, federal/state income tax withheld) FUTA (federal unemployment tax act) and SUTA (state)
'C' Corporation	Corporate Income tax (federal and some states) Payroll taxes
'S' Corporation	Income tax on projected income, which is paid in quarterly estimates Self-employment tax Payroll taxes
LLC	Depends on how you have opted to be taxed

Note 1: This is not a complete list of all taxes that a business may be subject to.

If you are a:	Liability from law suits
Sole Proprietor	Personally liable
Partnership	If a general partner, personally liable If a limited partner, liability is limited to dollar amount invested
'C' Corporation corporation	The corporation may be sued. Normally individuals within the corporation have no personal liability, unless they have been negligent
'S' Corporation corporation	The corporation may be sued. Normally individuals within the corporation have no personal liability, unless they have been negligent
LLC	The LLC may be sued. Normally individuals within the LLC have no personal liability, unless they have been negligent

Note 2: All information presented is provided as a guide only. Consult with your Lawyer and/or CPA for the latest definitive information.