
Entrepreneurship questions

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Hi Mr. Elkner, these are the answers to the questions Gavin and I did in class:

Working in your circles, investigate the different types of businesses that are recognized in the state of Virginia.

Prepare a presentation that answers the following questions.

1. What is the organization in Virginia through which businesses are registered?

The organization in Virginia through which businesses are registered is the Virginia State Corporation Commission (SCC).

2. What are the different types of businesses that can be formed?

The 7 most common types of business structures are Sole Proprietorship, General Partnership, Limited Partnership, Corporation, Limited Liability Company (LLC), Nonprofit Organization, and Cooperative

3. Do all of these types require registration?

No, not all business types require formal state registration as an entity, though nearly all require some form of tax ID, name filing, or local permit.

4. What is a Professional LLC or Professional Corporation, and why does Virginia require a separate classification for these?

A Professional LLC (PLLC) or Professional Corporation (PC) is a specialized business entity created for licensed practitioners—such as attorneys, doctors, accountants, architects, and engineers—whose occupations require state regulatory board licensing

5. What are the specific filing forms and fees for the most common entities?

The most common business structures—Sole Proprietorship, Partnership, Limited Liability Company (LLC), C Corporation, and S Corporation—require specific formation and annual tax filings with state and federal agencies.

6. How does a Foreign entity register to do business in Virginia? What's the difference between forming a new Virginia entity and registering an out-of-state entity?

A foreign entity registers to do business in Virginia by filing a certificate of registration or authority with the Virginia State Corporation Commission (SCC) and appointing a local registered agent

7. For each entity type, who is personally liable for business debts?

Sole proprietorship: owner, general partnership: All partners, limited partnership: general partners, LLC: no personal liability, C-corp: no personal, S-corp: no personal

8. In a Limited Partnership, what is the fundamental trade-off between the General Partner and the Limited Partner regarding control and liability?

General Partners have control but unlimited liability. Limited Partners have less control but limited liability.

9. What is the default tax classification for a single-member LLC versus a multi-member LLC?

Single-member LLC: Sole proprietorship. Multi-member LLC: Partnership.

10. How does pass-through taxation differ from C-Corporation double taxation?

Pass-through taxation taxes owners once. C-Corporations can be taxed twice.

11. What is the Elective Pass-Through Entity Tax (PTET) recently made permanent in Virginia, and why might an LLC or Partnership choose to pay it?

Virginia's PTET lets businesses pay state income taxes directly to help owners save on federal taxes.

12. What ongoing annual reports or fees does the SCC require to keep an entity in good standing?

LLCs pay \$50 yearly. Corporations file annual reports and pay annual fees.

13. If a startup plans to seek venture capital and eventually go public, which entity is likely the best fit, and why?

C-Corporation because it attracts investors and can sell stock publicly.

14. If a solo consultant wants minimal paperwork and maximum flexibility, which entity makes the most sense?

Sole Proprietorship because it is simple and requires little paperwork.

15. Under what circumstances might a business choose to convert from an LLC to a Corporation later?

When the business wants investors, needs to issue stock, or plans to go public.