

Ask SCORE

HOW THE BUSINESS STRUCTURE YOU SELECT AFFECTS YOUR INCOME TAX TREATMENT

The business structure you choose for your startup will affect your company from a legal standpoint, and it will have an impact on your taxes, as well. Before you decide on the structure for your small business, you should do some research and talk to tax and legal professionals for guidance. The better you understand your options, the more likely you'll be to operate under the structure that will benefit your business the most.

An Overview of A Few of the Most Common Business Structures

SOLE PROPRIETORSHIP:

By default, businesses are considered sole proprietorships (partnerships if more than one owner) if their owners don't register them formally as independent entities. Many at-home businesses start this way because sole proprietorships require the least amount of registration paperwork and ongoing compliance efforts. From an income tax perspective, a sole proprietorship is also considered one in the same as its owner. Your business profits and losses flow through to your personal income tax return.

(Note that with a sole proprietorship, your personal assets are not separated from those of your business. This poses some risks. Your home, bank accounts, retirement savings, and other personal belongings might be in jeopardy if someone were to sue your company. When you form a Limited Liability Company [LLC] or incorporate your business, however, your personal assets receive some protection from legal action brought against your business. Be aware liability protection and tax treatment may vary depending on the state where a business is incorporated matters, so it's important to talk with an attorney and tax professional.)

LIMITED LIABILITY COMPANY (LLC)

You can form an LLC as either a single-member (single owner) or multi-member (multiple owners). This legal structure provides the limited liability advantages of a corporation and the flexibility of a sole proprietorship. As with sole proprietorships/partnerships, an LLC's profits and losses flow through to owners' personal income tax returns. In addition, LLCs offer some tax flexibility; you can elect to have your LLC taxed as an S Corporation or a C Corporation.

S CORPORATION

The S Corporation structure has gained the favor of many small business owners because it offers one level of tax at the shareholder level and some relief from the self-employment tax burden on owners. Only an owner's reasonable wages/salaries are subject to self-employment (FICA) tax, and profit distributions to shareholders flow through to the individual shareholders' income tax returns.

C CORPORATION

C Corporations offer more extensive personal liability protection and growth potential than other structures, and the way income taxes are applied differentiates this structure, too. With a C Corp, income is taxed at the corporate tax rate when your business earns it. Profits are then taxed again at the personal income tax rates when shareholders' distributions are made.

(Continued on page 62)

Pottstown ROLLER MILLS Inc.

625 Industrial Highway
Pottstown, PA 19464
(610) 323-8620

- ICE MELTERS
- BULK & BAG SALT 25# & 50# BAGS
MAGNESIUM & CALCIUM CHLORIDE
- WATER SOFTENER SALT
- DECORATIVE STONE & SAND
- WE FILL PROPANE
- ALL TYPES OF MULCH BAG & BULK
- PURINA FEEDS FOR ALL TYPES
OF ANIMALS
- TRIPLE CROWN FEED
- LARGE SELECTION OF
WILD BIRD FEED, BIRD FEEDERS
& BIRD HOUSES
- WOOD PELLET & BRICK FUEL
- PREMIUM ANTHRACITE COAL



Purina Mills, Inc.
Triple Crown

REGIONAL CHAMBER ROUNDUP

Please see pages 31-40 for the TriCounty Area Chamber of Commerce news and information section.

PHOENIXVILLE REGIONAL CHAMBER OF COMMERCE

• 171 East Bridge Street, Phoenixville, PA 19460 • 610.933.3070 • fax 610.917.0503
• info@phoenixvillechamber.org • www.phoenixvillechamber.org



PHOENIXVILLE
REGIONAL CHAMBER OF COMMERCE

The Phoenixville Regional Chamber of Commerce is an independent organization serving the business interests of Northern Chester, Western Montgomery and parts of Delaware Counties.

The Chamber's mission is to "advance the principles of free enterprise by providing the leadership which will enhance the economic climate of the region, address the priority needs of its members, and interact with other individuals and organizations for the overall benefit of the business community."

UPCOMING EVENTS

Young Professionals Holiday Networking Event (YPN) with the Phoenixville Jaycees – Tuesday, February 5th, 6:00 PM

Join the Phoenixville Chamber and the Jaycees at the Professional Networking Group in the Phoenixville Area. Created for business minded people aged 21 to 40 to gather in a relaxed atmosphere, YPN meets the first Tuesday of every month.

Join us to network with other young professionals. Refreshments will be provided with a Cash Bar Bring plenty of business cards. Visit our website at www.phoenixvillechamber.org for information and registration

February Monthly Membership Luncheon – Tech Talk Tuesday, February 12th, 11:15-1:00 PM

Join the Phoenixville Chamber for an afternoon of education and networking. Fred Hubler, President of Creative Capital Wealth Management will present a mini-seminar. Visit our website at www.phoenixvillechamber.org for information and registration

Cost: \$20 pre-registered, \$25 at the door. \$30 for non-members.



Chamber Annual Golf Tournament – Tuesday, April 30th, 11:30 AM, Rivercrest Golf Club & Preserve

The course at RiverCrest Golf Club & Preserve is one of the most exciting golf venues built in the Philadelphia area. Enjoy a fun-filled day on the course starting with lunch, golf and ending with an Awards dinner. Individual Golfer: \$175; All golfers costs include lunch, dinner, door prize, greens fees, cart, on-course refreshments and awards ceremony Dinner Only Ticket: \$60; Join us for a delicious dinner, open bar and wonderful silent auction items! www.phoenixvillechamber.org for information and registration.

PHOENIXVILLE EVENTS

First Fridays in Downtown Phoenixville – May 3, June 7, July 5, August 2, September 6, October 4 6:00-10:00 PM

Visit our Phoenixville on the First Friday of every month, May through October, to experience the vibe of our eclectic town. Sample some of the region's best craft brews, grab some local eats, shop our sweet boutiques, and listen to live music on the street. Main Street is closed between Bridge & Church Streets to allow vendors to set up and showcase their wares.



Food Truck Festival – Saturday, May 4 & Saturday, October 5 12noon – 6PM

30+ food vendors, music, arts, craft beers, and so much more. This family-friendly day of food and fun. Bridge Street is closed between Starr and Gay streets, and Main Street is closed between Price and Church Streets for this awesome food truck festival. Parking will be tricky, FREE shuttle service is available. Visit www.phoenixvillefoodfestival.com for more information

WELCOME NEW CHAMBER MEMBERS!

The Desmond Malvern
Diversity in Action
Higher Information Group
Kelsey Joy Creative
My Favorite Muffin
Patriot Pest Solutions
Preserve at Kimberton Glen
Professional Referral Exchange
West Powelton Drummers

Ask SCORE

(Continued from page 61)

PARTNERSHIPS

Another important type of business structure, partnerships come in different legal forms, including corporations, limit liability, and managerial control. Tax treatment and personal liability protection vary depending on the type of partnership you form and the state in which you incorporate.

Get the Right Help to Make the Right Choice

The information we've provided here is meant to share some of the basics you should know when deciding on the business structure for your small business. It is not intended as professional legal or accounting advice. Carefully consider your type of business and long-term plans when determining the best legal structure for your business. We also recommend you consult a reputable attorney and business tax expert for insight and guidance. If you need help finding trustworthy professionals in your area, make an appointment to meet with a SCORE TriCounty mentor at <https://tricity.score.org/content/find-mentor-183>.

Since 1964, SCORE "Mentors to America's Small Business" has helped more than 10 million aspiring entrepreneurs and small business owners through mentoring and business workshops. More than 11,000 volunteer business mentors in over 320 chapters serve their communities through entrepreneur education dedicated to the formation, growth and success of small businesses. For more information about starting or operating a small business, contact SCORE TriCounty. You can call 610.327.2673, email tricity@scorevolunteer.org or visit the website at www.tricity.score.org.

422bizmag.com

ROUTE 422 Business Advisor

Print is not dead. In fact, in recent years, a flurry of studies has shown that the reading experience online is less immersive and enjoyable than print, which has implications for how we consume and retain information. These studies show that readers tend to skim and jump around online more than they do in print. Print provides a more linear, less distracting way of reading, which in turn increases comprehension.

**Place Your Ad
in the NEXT issue!
Call (610) 323-6253**

422bizmag.com

REGIONAL CHAMBER ROUNDUP

Please see pages 31-40 for the TriCounty Area Chamber of Commerce news and information section in this issue.

SPRING-FORD CHAMBER OF COMMERCE

Building a Better Community Through Business

• 313 Ridge Pike, 2nd Floor, Limerick, PA 19468 • 610.489.7200



The Spring-Ford Chamber of Commerce is a community-focused business advocate. We strive to help our member businesses grow while improving the community in which we all live and work.

The Chamber consists of local businesses whose main objective is to run a successful business. We are a great resource for members, not only because we offer the opportunity to network and brainstorm with fellow members, but also to have exposure to the local community, your customer, through our continued involvement in community events and charitable endeavors. Visit www.springfordchamber.com for Chamber Events, Press Releases, Online Newsletters and more!

Chamber Notes

- Welcome our newest member Dogtopia, Limerick, Royersford Business Association and Urban Air, Royersford
- The Spring-Ford Chamber Annual Lunch has been moved to May of 2019
- Directory sales for the 2019-2020 Chamber Directory for more information please see the chamber website
- The Chamber is now taking basket donations for Dine for Education and the Annual Fashion Show proceeds benefit the Spring-Ford Chamber Education Fund and Operation Backpack
- The Spring-Ford Chamber has moved to a virtual office in an effort to be the most strategic chamber we can be. If you would like to contact Carla please call the chamber phone number and leave a message, you will receive a prompt reply.
- If you are interested in hosting a mixer or workshop in 2019 please contact the chamber at 610-489-7200 or email at info@springfordchamber.com



In 2018 the Spring-Ford Chamber of Commerce donated over \$12,000 to the Limerick Township for our joint efforts from the 2018 Limerick Community Day.

On August 18, 2018, Limerick Community Park was filled with over 4,000 attendees, 120 vendors, 10 food trucks and a beer garden, Boy Scouts, Military Personal, local Emergency First Respondents, and an amazing marching band!

Mark your calendars for our 2019 Limerick Community Day to be held Saturday, August 24th. Registration will open in April and will feature kids activities by RAM Nation with the Spring-Ford Area School District and will be followed by a family friendly movie experience.

Organized by the Spring-Ford Chamber of Commerce and the Limerick Township Parks and Recreation Department

2018 Sponsors included:

- Exelon Generation
- Oehlert Bros. Inc.
- 101.1 More FM
- American Heritage Federal Credit Union
- Patriot Pest Solutions
- Physicians Care Surgical Hospital
- Pottstown Hospital
- Premier Immediate Medical Care
- The Railroad Bar and Grill
- Renewal by Anderson
- Tompkins VIST Bank

Welcome our 2019 Board of Directors

The Spring-Ford Chamber of Commerce would like to thank our 2018 board members who have cycled off our board of directors; Denise Harrison, Patriot Pest Solutions, Dan White, Ameriprise Financial Services, Rich Flannigan, Mallie, LLP, and Marc Umstead, Comp-U-Ship. Thank you all for your time and service.

We are excited to welcome the following new members Mike Stopya, co-owner, Bonnie Pappas and Mike Stopya Team Springer Realty Group; 2019 Board Treasurer - Jeanna Baker, Citadel FCU, Chris Moritzen, Director, Western Montgomery Career and Technology Center and Liz Peters, TriCounty Federal Credit Union. Returning Members Include:

2019 Board President - Dr. David Goodin, Spring-Ford Area School District

2019 1st Vice President - Sean Meyers, DS Pool Service

2019 2nd Vice President - Pam Baumann, Pam Baumann Photography

2019 Secretary - Steve Oehlert, Oehlert Bros.

Andrea Heskett, Chris James Hector Realty
Liza Hollenbach, Spring Valley YMCA

Suzette Siebert, Kelly Insurance

Louise Tuilo, WSFS

UPCOMING EVENTS

RSVP for all events online at www.springfordchamber.com

February 7, 2019 – Collaborative Chamber Mixer

Sponsored by: Westfield 41

Magical Memory Planners and Motivational Marketing

151 Holly Drive, Royersford
5:00 p.m. to 7:00 p.m.

February 27, 2019 – Wellness in the Workplace

Spring Valley YMCA

19 W Linfield Rd, Royersford,
11:30 a.m. to 1:00 p.m.

\$25 for members/\$35 Non-members

March 14, 2019 – Chamber Luncheon

Topic: Meet our Local Legislators

Springford Country Club
48 Country Club Rd, Royersford
11:30 a.m. to 1:00 p.m.

\$25 Members/\$35 Non-members

March 27, 2019 – DINE FOR EDUCATION

Dinner prepared by the students of the WMCTC

Western Montgomery Career and Technology Center
77 Graterford Rd, Royersford
5:30pm – 7:30pm

\$25 Members and Non-members welcome

RSVPs for tables being accepted now
Raising Money for the Spring-Ford Education Fund supporting students in higher education.

April 2, 2019 – Network Before Work

TriCounty Area Federal Credit Union
1550 Medical Dr, Pottstown,
8:00 a.m. to 9:30 a.m.

Free Members/\$10.00 Non-members