

“C” Corporation

What Is It?

A corporation is a legal entity that is completely separate from the owners. The liability of owners and shareholders are limited to the amount they have invested in the business.

Tax Structure

- C Corps pay taxes on earnings, and then distribute profits to shareholders
- Individual shareholders pay personal income taxes on the profits they receive in forms of dividends

Things to Consider

Double taxation: profits are taxed then shareholders are taxed on dividends

Can be expensive to start & require Articles of Incorporation

Protects owner's personal assets

Can issue stock & have unlimited stockholders

Subject to greater regulation than other business structures

Examples

- Walmart
- Apple
- McDonald's

Resources

- [Division of Corporations, Business, and Professional Licensing– Corporations](#)
- [Investopedia– What is a C Corp?](#)

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