

Comparison of Entity Types

Farm Entity Options in Estate Planning	Sole	General P	Limited P	C-Corp	S-Corp	LLC
Asset Protection	No	No	Yes - Ltd Part. No - Gen Part.	Yes	Yes	Yes
Bring in New Owners	No	Yes	Yes	Through sale or gifting shares	Through sale or gifting shares	Yes
Capital Gain on Sale of Property	0/5/15% (0% expires '10)	Pass-through 5/15%	Pass-through 5/15%	Corp Capital 35%	Pass-through 5/15%	Pass-through 5/15%
Estate Tax Discount	Probably Not	Probably Not	Probably	Probably	Probably	Probably
Form Survives Founder	No	No	No	Yes	Yes	Yes
FSA flexibility	No	Yes	Some	Yes	Yes	Yes
Gifting during life	Difficult	Difficult	Difficult	Yes - shares	Yes - shares	Yes - Member %
Income Tax Advantages	Some	Some	Some	Yes	Yes	Yes
New owner "buy in"	No	Yes	Yes	No	No	Yes
Operation Flexibility	Yes	Yes	Yes	No	No	Yes
Passive (Rent) Income tax benefit	Yes	No	Yes	No	Yes	Yes
<i>Real Estate</i> Basis at your death	Step-up basis	Step-up basis	Step-up basis	No Step-Up basis	No Step-Up basis	No Step-Up basis
Self-Employment Tax	Yes	Yes	Yes - Gen Part No - Ltd Part	No	Some	Some
Tax Return	1040 Sched F	1065	1065	1120	1120S	1065
Type of ownership	Directly owned	Partnership or Directly Owned	Partnership or Directly Owned	Shares	Shares	Percent (%) or Member Interest