



Business registration is, in part, a function of location. Federal, state, county and local jurisdictions may all have requirements that you will need to meet. In Florida, registration of corporations and fictitious business names (dba) are most common. This document is designed to provide general information and definitions to assist you in starting your business. However, you should always reach out to your attorney or accountant for company-specific requirements.

This document provides details on these steps:

1. Choose Your Business Structure
2. File Articles of Incorporation/Organization
3. Register Your Business Name (optional)

Step 1: Choose Your Legal Business Structure

Choosing your legal business structure is an important decision. It determines your tax burden, paperwork requirements, fundraising capabilities, and your personal liability.

Although you can change to a different business structure in the future, be aware that there may be restrictions based on the location of your business. Other consequences include increased taxes and unintended dissolution.

It is always best to consult with a tax attorney and accountant when deciding which structure is best for your business needs.

There are four basic for-profit business structures:

Sole Proprietorship

This is the simplest structure to establish. As a sole proprietorship, one person has full responsibility for the business. In the State of Florida, if you are the only owner of the business, the business will automatically be a Florida sole proprietorship unless you choose to incorporate or register as a Limited Liability Company (LLC).

Things to consider about Sole Proprietorships:

Advantages

- Easy and Inexpensive
- Owner Has Complete Control
- Easy Tax Preparation

Disadvantages

- Unlimited Personal Liability
- Difficult to Raise Money
- Heavy Burden of Success/Failure

In addition, sole proprietorships, when not operating under the owner's legal name, [must register a fictitious name with the Florida Division of Corporations](#).

Partnership (General and Limited)

This business structure is as easy to form as a sole proprietorship but is owned by two or more individuals. There are two common kinds of partnerships: general and limited.

A general partnership divides the rights and responsibilities equally among the partners. Each partner has equal authority to manage or control the business. Likewise, each partner is responsible for the partnership's liability.

A limited partnership includes both general and limited partners. In this structure, limited partners are not responsible for the partnership's debts and obligations but do not have the right to manage the business. Both general partners and limited partners benefit from the business's profits.

Advantages

- Easy and Inexpensive
- Complete Shared Financial Commitment
- Partnership Inducements for Employees

Disadvantages

- Joint and Individual Liability
- Disagreements Between Partners
- Shared Profits

Limited Liability Company (LLC)

This structure is a hybrid that combines features of the corporation structure and a partnership.

Owners are called members. Florida does not restrict the number of members a LLC can have, and members may include individuals, corporations, other LLCs, and foreign entities. Unless a corporate tax structure is elected, LLC owners are considered self-employed.

An LLC can have one of two management structures: member-managed, or manager-managed. It is critical to understand how you plan to manage your business before choosing to register your business as an LLC.

If the LLC is member-managed, then all members are participant in making decisions for the business.

If the LLC is manager-managed, then one or more managers are responsible for making the decisions on behalf of the organization. It is important to note that a manager does not need to be a member.

You must also determine who will act as your registered agent. Florida requires an LLC to appoint and maintain a registered agent located in the state. This is the individual (does not need to be a member and is often an attorney) appointed to receive and forward legal and tax information to the members.

Advantages

- Limited Liability
- Less record keeping
- Profit sharing

Disadvantages

- Limited life (could expire)
- Self-employment taxes

Corporation

Corporations are legal entities that are separate and distinct from the owners. The structure provides limited liability to the owners. It can execute contracts, be taxed, loan and borrow money, sue or be sued, hire employees and own assets.

Corporations offer the strongest protection to its owners from personal liability. However, they are more expensive to form and require a heavier burden of record keeping.

Corporations can raise capital through the sale of stock, but profits are taxed twice: 1) when the company makes a profit, and 2) when dividends are paid to shareholders on their personal tax returns.

There are several types of corporations:

- **C corporations:** C corporations, the most common type of corporate structure, are usually publicly traded companies owned by shareholders. They differ from other business structures in that they are taxed as a separate entity from the business owner(s). The C Corporation is the default corporation under IRS rules.

S corporations: An S corporation is a business entity that has elected to pass its corporate income, losses, credits and deductions to its shareholders to report on their individual tax returns. Each shareholder is then assessed tax at their individual income tax rates.

- **B corporations:** B corporations differ from C corporations in purpose, accountability, and transparency but are still taxed the same way. B corporations can be distinguished from traditional corporations in the following ways:
 - **Mission:** B corporations must commit to producing a public benefit for society and/or the environment.
 - **Governance:** Directors must consider the interests of non-shareholders that are affected by the company's conduct.
 - **Transparency:** The company has an obligation to report to shareholders on its overall social and environmental performance.
 - **Accountability:** Shareholders can bring lawsuits to enforce the company's public benefit mission.
- **Non-profit corporations:** Although a non-profit corporation is similar to a traditional corporation in structure, it differs relative to the way its taxes are paid. They are tax exempt, paying no corporate taxes or federal taxes. They are also permitted to receive funding from a wide variety of sources: grants, public donors, private donors, and corporations.

Advantages

- Limited Liability
- Continuity (not affected by death or transferring shares)
- Corporate Tax Treatment
- Easier to Raise Capital

Disadvantages

- More Time and Money to Establish
- Double Taxing
- Additional Paperwork

Step 2. File Articles of Incorporation/Organization at Sunbiz.org

Articles of incorporation/organization are documents filed with a government body to legally establish a corporation's creation in its home state. When filing, the business owner provides the state with pertinent information which includes:

- The company's purpose
- Name and address of the registered agent
- Number of authorized shares and amounts of common stock
- Names of any incorporators

The Division of Corporations is the State of Florida's official business entity index. All companies must file with the state. This can be done electronically at Sunbiz.org or by completing the [application](#) and mailing it in to the Florida Department of State with your payment.

The structure of your business will determine if you should file Articles of Incorporation or Articles of Organization. Please click on the following links to start:

[Articles of Incorporation](#)

[Articles of Organization](#)

Step 3. Register Your Business Name (Optional) at Sunbiz.org

The Fictitious Name Act requires any person or business entity to register their business name or "doing business as" (dba) with the Florida Department of State prior to conducting business in Florida.

A fictitious name or dba is:

- Different from your personal name, if doing business as a sole proprietor.
- Different from your entity's legal name, if you have incorporated or otherwise formed a separate legal business entity.

[Click to Register a Florida Fictitious Name](#)