

Appendix BB
Worksheet Mailing: Organizational-Type-Unknown Letter

Dear Small Business Owner,

During our initial call, we were unable to determine how your business is organized for tax purposes, that is, whether it is a sole proprietorship, a partnership, a C-corporation, or an S-corporation. We are including a worksheet for each organization type in this package. Please select the one worksheet that is appropriate for your business and discard the other three. Refer to the information below for help if necessary.

ORGANIZATION TYPE	TAX FORM FILED	DEFINITION
Sole Proprietorship	1040 or 1040 EZ	An unincorporated business owned by a single person, who has the right to all the profits from the business and is responsible for all the business's liabilities.
Partnership	1065	An unincorporated business in which two or more owners agree to split the profits, losses, or capital of the business. There may be limited and/or general partners.
C-Corporation	1120 or 1120-A	A business that has been granted a state charter recognizing it as a separate legal entity having its own rights, privileges, and liabilities distinct from those of the individuals that form the business.
S-Corporation	1120-S	A business that does not pay taxes on its income because its shareholders are responsible for paying taxes on the business's income. To qualify for S-Corporation status, the business <ul style="list-style-type: none">• must be a U.S. corporation,• must have only one class of stock and no more than 75 shareholders, and• may not have certain organizations or non-U.S. citizens as shareholders

If your business is a Limited Liability Partnership (LLP) or Limited Liability Company (LLC), please base your worksheet selection on whether you file taxes as a partnership, a corporation, or a sole proprietor.