Tax by Business Structure

How the legal form changes the tax treatment.

Accounting & Finance

Structure and treatment.

Structure	Taxed on	Liability
Sole trader	Owner's income tax on profits	Unlimited personal
Partnership	Each partner's share	Unlimited, usually joint
Limited company	Corporation tax, then tax on extraction	Limited to the company
LLP	Members taxed on their share	Limited

Educational reference. A company is taxed twice in effect — on profit, then on dividends or salary extracted.