

# Contract and Legal Issues

## **M: What are the advantages of forming an LLC?**

The advantages of forming an LLC are that the members are afforded limited liability and have pass-through taxes similar to a partnership.

by forming an LLC instead of a corporation, you get all the benefits of forming a corporation but you avoid a few drawbacks that you would run into if you formed a corporation. Specifically, when you form a corporation, you subject yourself to double taxation and excessive paperwork. Both of those annoyances can be avoided if you form an LLC.

How do LLCs work? The LLC allows for multiple owners, or members. Additionally, there is a managing member, who also enjoys the rewards of limited liability and is typically the person responsible for managing the business. (However, if the LLC has just one owner, it will be taxed as a sole proprietorship.)

hope all this helps.

<http://www.corporate.com/realEstateCase7.jsp>

<http://www.corporate.com/real-estate-faq.jsp>

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