

Trends in New Business Entities: 30 Years of Data

Limited Liability Companies, or LLCs, are now the most popular legal entity for organizing businesses in the United States, according to a **new report** issued by Berkman Solutions.

“While it is tempting to conclude that S Corporations are substantially more popular than LLCs, this conclusion is based on the **total number** of legal entities. S Corporations have a more than 15 year head start on LLCs. Adjusting for that head start, the data reveals that LLCs are eclipsing S Corps,” according to Berkman’s analysis.

“Looking at the year-over-year net change in tax filings demonstrates that LLCs have a slight edge over S Corporations since 2004, except for 2006,” it continues. “The year-over-year net change captures the addition (or reduction) in tax returns from the prior year by legal entity type.”

Read the article.