Guillen Pujol

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LLC vs S-Corp vs C-Corp in Florida (2025): What Business Owners Need to Know

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By The Guillen Pujol CPA Group Newsroom

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In Florida, the structure you choose—LLC, S-Corp, or C-Corp—sets the terms for how your income is taxed, how you draw a salary, how you're exposed to liability, and how investors will view your business. The distinctions are not cosmetic. In 2025, with shifting tax laws and increased regulatory scrutiny, entity choice has become a defining decision for both new and growing companies. It deserves more than a checkbox.

Florida LLC: Flexibility with Limits

For many Florida entrepreneurs, forming an LLC remains the most practical entry point. It blends the simplicity of a partnership with the liability shield of a corporation, and registering one is both fast and cost-effective. In 2025, Congress's One Big Beautiful Bill Act (OBBBA) restored 100% bonus depreciation for most qualified assets and raised the Section 179 deduction limit to $2.5 million, with a phase-out beginning at $4 million for qualified assets placed in service after December 31, 2024.

The old idea that LLCs are "just for small or hobby businesses" no longer holds. Structurally, LLCs are embedded even in the most sophisticated corporate ecosystems: Google LLC is the operating company under Alphabet, Amazon.com Services LLC handles major core logistics, and Netflix Studios, LLC produces award-winning content. Their utility lies in their adaptability – LLCs can accommodate complex capital structures, multi-tiered ownership, and tailored operating agreements without compromising legitimacy.

Tax-wise, LLCs usually pass earnings directly to members, who report income on personal returns. For active members, however, those distributions are subject to self-employment tax unless a different federal election is made. Legally, asset protection is nuanced. The 2010 Olmstead v. FTC (Florida Supreme Court, 2010) ruling confirmed that in Florida, a charging order is not the sole remedy for creditors of single-member LLCs – a distinction that allows full seizure of the ownership interest. Since that ruling, Florida has not amended its statute, and advisors often recommend adding a second member to preserve the liability shield.

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Florida C-Corporation: Structure and Scale

The C-Corp is the more formal, governance-intensive choice. It mandates directors, officers, annual meetings and careful record-keeping—but those same requirements signal credibility to banks, venture funds and acquirers.

Unlike an LLC, a C-Corp pays corporate income tax on profits and shareholders are taxed again on dividends. For companies that plan to retain earnings, pursue multiple funding rounds, or prepare for an IPO, that structure can still be efficient—especially because OBBBA both restored 100% bonus depreciation and created a new Section 168(k) expensing regime for certain production property, alongside heightened Section 179 limits. These features improve after-tax cash flow for asset-heavy or scaling businesses.

C-Corps can issue multiple classes of stock, freely transfer shares, and welcome both domestic and foreign investors—features that make them the default vehicle for venture-backed startups and companies planning bigger equity plays.

The S-Corporation Election: A Tax Status, Not an Entity

An S-Corporation **is not a separate Florida entity**. It's a federal tax election (Form 2553) filed with the IRS, generally within 2 months and 15 days of formation for new entities, or within the first 2 months and 15 days of the tax year for existing ones, to be taxed as a pass-through.

Eligibility is narrow: no more than 100 shareholders, only one class of stock, and no nonresident-alien shareholders. Certain family members can be counted as one shareholder for the 100-owner limit. These constraints are why the election is powerful for U.S.-owned businesses but off-limits to most foreign founders.

When the election fits, it combines payroll-tax planning with limited liability: shareholder-employees take a reasonable salary subject to payroll taxes, and remaining profits generally flow through without self-employment tax—while the underlying LLC or corporation keeps its legal shield.

LLC vs. S-Corp vs. C-Corp in Florida: Direct Comparison

Choosing the right entity structure in Florida goes far beyond upfront filing costs. Each option—LLC, C-Corp, or S-Corp election—carries distinct implications for taxation, governance, capital-raising, and confidentiality.

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The structural choices influence how profits are taxed, how ownership is transferred, and how your business appears to banks, partners, or regulators.

In 2025, these distinctions matter not only at formation but also in restructurings and conversions. Whether you are launching a new venture or repositioning an existing one, the differences between LLCs and corporations aren't theoretical – they shape how efficiently your business operates under Florida law and federal tax policy.

This guide breaks down the similarities and differences that matter most in 2025 and focuses on the structural features that drive performance: tax treatment, administrative complexity, investor readiness, and long-term flexibility. A guide that will help you choose the structure that aligns with your goals, funding strategy, and compliance capacity.

Read more:IRS Hits LLC With $118K in Penalties for Failure to File Form 8300

Key Similarities Florida Business Owners Should Consider

Despite their differences, LLCs, S-Corps, and C-Corps share important traits:

- **Limited liability protection**: Each shields owners' personal assets from business debts and lawsuits. But strength varies: while single-member LLCs in Florida are more vulnerable due to case law (Olmstead v. Federal Trade Commission, Fla. 2010).
- **Separate legal entity**: All must be registered with the Division of Corporations of the Florida Department of State and maintain their own legal identity.
- **Continuity of ownership**: Corporations and multi-member LLCs continue even if an owner exits or passes away; single-member LLCs may dissolve unless succession is planned.
  Scalability: Each can grow, but C-Corps are structurally optimized for institutional capital, venture funding, and equity-based expansion.
- **U.S. compliance requirements**: All must file annual reports with the Florida Division of Corporations via Sunbiz. Failure to file by May 1 can result in late fees or administrative dissolution.

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Differences Between LLCs and Corporations in Florida

The table below condenses the most relevant distinctions for 2025. FAQs About LLCs, S-Corps, and C-Corps in Florida (2025)

Factor	Florida LLC	Florida S-Corp (tax election)	Florida C-Corp
Formation cost	$125 filing fee	Formation cost of base entity (LLC = $125 / C-Corp = $70) + IRS Form 2553 (no fee, eligibility required)	$70 filing fee
Annual fees	$138.75 annual report (due May 1)	Same as base entity (LLC = $138.75 / C-Corp = $150 annual report)	$150 annual report (due May 1)
Taxation	Pass-through by default; members pay self-employment tax	Pass-through; shareholder-employees pay payroll taxes on salary; distributions exempt from SE tax	Federal 21% + Florida 5.5% corporate income tax; dividends taxed again at the shareholder level (double taxation)
Flexibility	Member- or manager-managed; flexible allocation of profits	Same as base entity, plus IRS ownership restrictions (?100 U.S. shareholders, one class of stock, no foreign owners)	Rigid: board of directors, officers, annual meetings, formal recordkeeping
Capital access	Limited; less attractive to VCs	Restricted: capped at 100 shareholders; cannot issue preferred stock	Strongest: no shareholder limits, transferable shares, can issue preferred stock for funding rounds
Privacy	Members listed in Florida public records (Sunbiz)	Same disclosure as base entity (LLC members or C-Corp directors/officers)	Directors/officers publicly listed in annual report; shareholders not publicly disclosed

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Asset protection	Multi-member LLCs protected by charging order; single-member LLCs weaker under Florida law	Depends on base entity (LLC or C-Corp)	Standard corporate veil protection

In our experience advising business owners in Florida, certain questions appear again and again—regardless of industry or income level. These FAQs cut through the noise and highlight the points that matter most: what you'll actually pay in taxes, how ownership structures affect liability, and where the law draws hard limits. The answers below are designed to give you a clear, practical starting point before you sit down with your CPA or attorney.

What taxes does a Florida LLC pay?

By default, an LLC is a pass-through entity: profits go to members, who report them on personal returns. Florida has no state income tax on individuals, but members pay federal self-employment taxes (15.3%). An LLC can elect C-Corp or S-Corp status with the IRS to modify its tax treatment (a C-Corp election brings the 21% federal and 5.5% Florida corporate tax).

Which saves more on taxes: LLC or S-Corp?

An LLC taxed as an S-Corp often reduces payroll taxes once net earnings generally exceed $50,000 (varies depending on salary vs. distribution mix). Owners must take a "reasonable salary" (subject to payroll taxes), while remaining profits can be distributed free of self-employment tax. Without the election, all active-member income is subject to the 15.3% self-employment tax.

Is a Corporation better if I want investors?

Yes. A C-Corp is the standard for venture capital and institutional investors: it allows unlimited shareholders, multiple classes of stock, and foreign or corporate ownership. S-Corps are capped at 100 U.S. individuals and cannot issue preferred stock, while LLC equity is usually unattractive to large funds.

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What's the difference between a single-member and multi-member LLC in Florida?

Both provide limited liability, but under Olmstead v. Federal Trade Commission (Fla. 2010), Florida courts held that creditors of a single-member LLC could obtain the member's entire ownership interest, not just a charging order on distributions. Multi-member LLCs retain stronger "charging order" protection, making them more resilient for asset shielding.

If I have a job and I'm also a member of an LLC, how is my income calculated?

You must report both: wages from employment plus your share of LLC profits (reported via Schedule K-1). If you actively participate in the LLC, those profits are treated as earned income for federal tax purposes, subject to self-employment or payroll tax depending on structure.

What are the shareholder limits for an S-Corp?

An S-Corp may have up to 100 shareholders, all U.S. citizens or permanent residents. Certain family members can be treated as a single shareholder for this limit. Exceeding 100 shareholders or admitting a foreign/corporate owner automatically ends S-Corp status, converting it to C-Corp taxation.

Do foreign investors use corporations to hold LLCs?

Yes, some foreign investors interpose a foreign corporation to own a Florida LLC. This may mitigate U.S. estate tax exposure. However, if the LLC is treated as a disregarded entity, its income is still taxed in the U.S. as "effectively connected income" at graduated individual rates. To access the flat 21% rate, the LLC must file Form 8832 electing corporate treatment (which may then trigger branch profits tax and withholding on effectively connected income).

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Are LLCs less “serious” than corporations?

No. While LLCs require fewer formalities, they are widely used by major corporations for subsidiaries and joint ventures. The structure’s simplicity doesn’t imply lack of credibility; it reflects design flexibility.

Read more:Corporate Compliance: The Key to a Smart and Sustainable Business

What is the BOI report, and do Florida LLCs or Corporations need to file it?

The Beneficial Ownership Information (BOI) report is the filing required by the Corporate Transparency Act (CTA) to disclose identifying information on the individuals who own or control a reporting company.

As of March 26, 2025, FinCEN’s *interim final rule* exempts all U.S.-formed entities—including Florida LLCs and corporations—from BOI reporting. These companies and their U.S. beneficial owners have no filing obligation under the CTA.

Only foreign entities registered to do business in the United States remain subject to BOI reporting requirements:

- Registered before March 26, 2025 ? must file by April 25, 2025.
- Registered on or after March 26, 2025 ? must file within 30 days of notice of effective registration.

Foreign reporting companies are not required to report U.S. persons as beneficial owners.

FinCEN continues to accept and process BOI reports for covered foreign entities and enforces compliance for them, but domestic U.S. companies are fully exempt under the current rule.

What changed with the One Big Beautiful Bill Act (OBBBA) 2025 for LLCs and Corporations?

Key updates include:

- **Qualified Business Income (QBI) deduction**: the 20% pass-through deduction for LLCs and S-Corps is now permanent.

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- **Bonus depreciation**: restored as a permanent measure for qualifying assets placed in service after January 19, 2025.
  Section 179 expensing: deduction limit increased to $2,700,000 for 2025 (phase-out begins at $3,600,000).

These provisions improve reinvestment incentives but do not alter the 21% corporate tax rate or S-Corp eligibility rules.

How Guillen Pujol CPA Group Supports Your Florida Business

At **Guillen Pujol CPA Group**, we know that choosing between an LLC, an S-Corp, or a C-Corp in Florida is more than a filing decision—it shapes your taxes, compliance, and growth potential. Our Miami-based team combines over 35 years of experience in business structuring, international tax, and corporate compliance to guide clients through these choices with clarity and precision.

We assist entrepreneurs, investors, and established businesses with:

- **Entity selection and formation** – helping you launch the right structure, aligned with your goals.
- **S-Corp elections and payroll compliance** – setting up strategies that reduce taxes while staying within IRS rules.
- **Ongoing compliance and reporting** – from Florida annual reports to BOI requirements, ensuring deadlines are never missed.
- **Cross-border and high-income planning** – advising foreign owners and professionals on how to optimize structures while mitigating estate and withholding tax exposure.

Our role goes beyond paperwork. We provide the strategic insight that allows business owners to protect wealth, remain compliant, and unlock opportunities in Florida's tax environment. Whether you're starting fresh or restructuring for growth, Guillen Pujol CPA Group ensures your foundation is solid—and built to last.

If you're evaluating LLC vs. S-Corp vs. C-Corp in Florida, we invite you to connect with us. With the right structure in place, your business won't just be compliant—it will be positioned to thrive.

Take Action Now: Need professional tax guidance? Contact us today.

Planning Tomorrow, *Together,* with GPCPAs.

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Trusted by Businesses Worldwide

Editor's Note: This post is part of the 'GPCPAs Info Hub,' an initiative dedicated to empowering you with the knowledge and strategies needed to navigate the complexities of the U.S. tax system and financial strategies. Visit our Information Hub, a curated resource offering the latest in tax, economic, and business news, alongside actionable guidance on tax strategies, accounting, and business advisory—because Planning Tomorrow starts *here*.

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