

Self-Incorporation Discussion

Introduction

Dear LeSS NYC meetup participants:

I led an open space session at the [2019 Agile Coaching Summit in Chicago](#) regarding backoffice logistics. I was joined by [Dr. CK Taneja](#), another independent coach with his own small consulting entity.

Prior to the open space session I listed each of the topics you see here on a wall sized whiteboard, with additional short notes where it made sense. When the session started I initially spent a few minutes providing a quick overview of each topic as I walked the wall. Following my overview, we switched to dot vote prioritized time-boxed discussions of the topics which garnered the most votes. That is to say the structure and agenda was almost identical to that planned for the [Experience Report: Navigating Self-Incorporated Consulting](#) LeSS NYC meetup.

A few days after the open space session, I created a LinkedIn article with detailed notes on each topic from the whiteboard. The document you are currently reading is a very lightly edited version of that same article.

The more people who take the time to read this document before the meetup, the deeper and more insightful our conversations are likely to be. You will find the Level 1 headers here correspond verbatim to the expected back-office logistics topics we will be dot voting on.

In addition to pre-reading this document, please consider keeping it open as reference material during the meetup itself. The table of contents view in your PDF viewer should make the document quick to navigate. Failing that you can always use the included table of contents below.

I look forward to an active discussion during the meetup. Gene Gendel and I are working to identify a couple appropriate panelists to join me so that you will benefit from more than just my own perspective.

Sincerely,

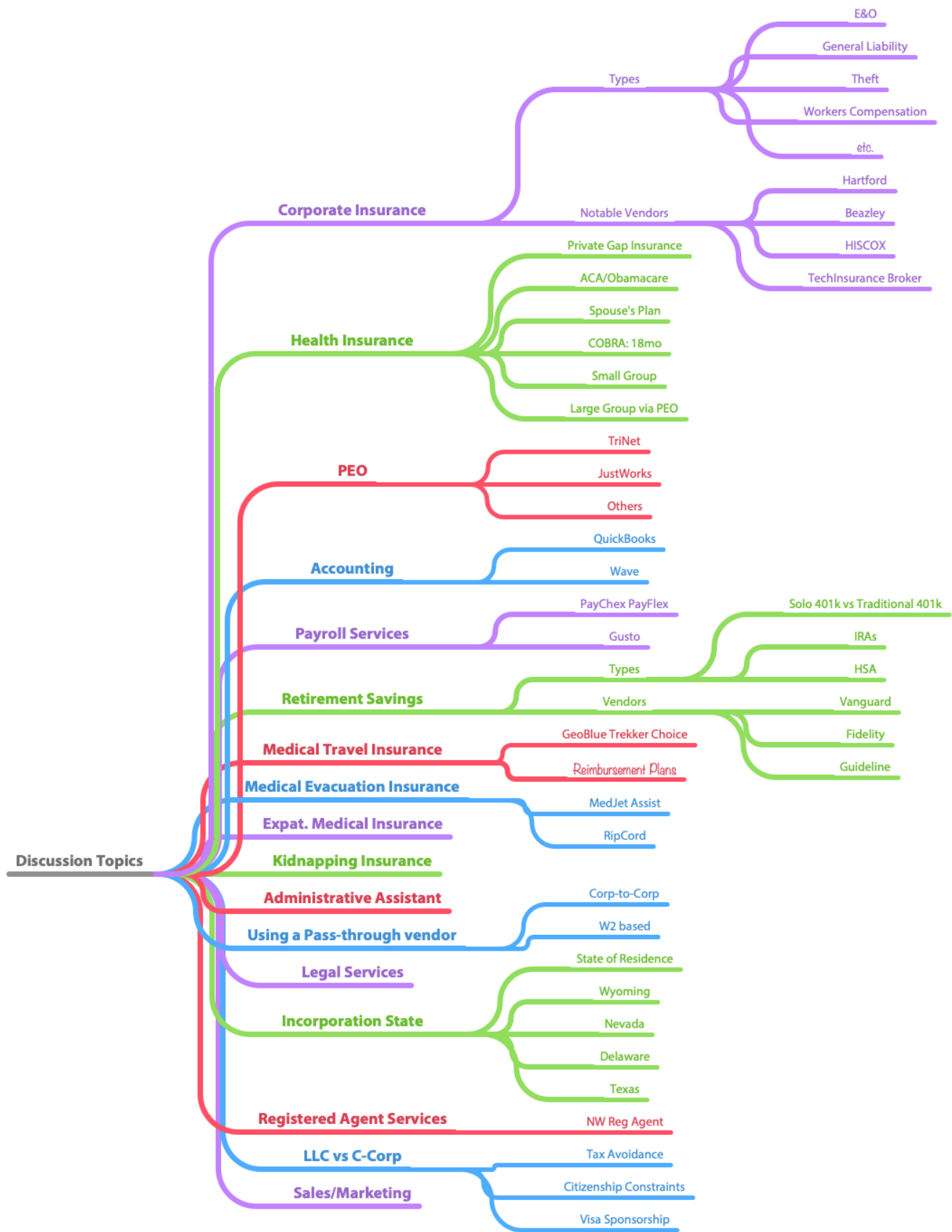
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Mind Map of Discussion Topics



Detailed TOC

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- Mind Map of Discussion Topics
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Introduction in Original Article

It was a pleasure to meet everyone at the 2019 Agile Coaching Summit in Chicago. For those who attended the Independent Consulting Back-Office open space discussion, here are my notes.

I have reformatted the notes to make them easier to read than before. They are still very simple jumping off points in most cases. Additional links and reference information have been added as appropriate.

Corporate Insurance

- Errors & Omissions
- General Liability
- Theft
- Workers Compensation
- etc.

Notable Vendors

- Hartford: <https://www.thehartford.com>
- Beazley: <https://www.beazley.com> (better errors & omissions)
- HISCOX: <https://www.hiscox.com>
- TechInsurnace: <https://www.techinsurance.com> (Broker I am currently using)

I originally used TechInsurnace as my broker. Their service was good, although I suspect I might go directly next time. Once a broker quotes you, it becomes tricky to go direct until the quote has several months to expire.

Health Insurance

- Private Gap Insurance: does not support pre-existing conditions
- ACA/Obamacare: Very poor doctor networks, poor value
- Spouse's Plan: Often best choice if available
- COBRA: Limited to 18 months
- Small Group: Possibly good if available to you. Requires at least two employees in most states.
- Large Group via PEO: High quality coverage typical of corporate America.

Good health insurance isn't cheap. As an employee of a large corporation you are probably used to employee premiums on the order of a few hundred dollars, with your employer playing the rest. As a single shingle you or your own entity must pay for everything. Your premiums will therefore be comparable to what you pay for COBRA. Expect to pay more than a thousand per month. This isn't really any more than you were indirectly paying before, you just didn't see it since your wages were reduced to account for it.

Your overall costs will likely be lowest with an HSA compatible high deductible plan, even when you assume you will hit the maximum out of pocket each year. From my perspective the critical concern is access to high-quality doctor networks without any pre-existing condition constraints.

Reference Info: General

- Small Group Definition By State: <https://www.kff.org/other/state-indicator/small-group-health-insurance-market-guaranteed-issue>
- States with small group defined as one: WA, CO, IA, LA, MS, FL, NC, DE, CT, RI, MA, NH, VT, NY, ME, HI
- States with small group defined as two or more, excluding spouse: Every other state

Reference Info: TriNet Medical Plans

TriNet has large group policies available from the usual suspects such as: Aetna, United Health Group, Blue Cross, and Kaiser. The pricing and benefits across providers is relatively competitive. For example an Aetna HDHP will be very comparable in pricing and benefits to a United Health Care HDHP.

Some of the TriNet Aetna policies used to be publicly listed at: <https://www.trinetaetna.com/ppo-hdh-p-hra-pos-benefits-summaries>

Reference Info: JustWorks Medical Plans

You can create a free account at JustWorks to browse their medical plans using the following link: <http://secure.justworks.com/go?sp=ss>

Don't worry, you won't have to formally sign anything or otherwise formally engage with JustWorks. The free account just lets you browse their system and provides a portal in which you could sign up with them if you desired.

To see your medical choices you will have to fill out their request for a medical insurance quote. This is basically just about providing a list of employee names, birthdays, and zip codes. If you use fake names, use realistic ones; it seems to be actual humans who spin up the quotes so Donald Duck won't work (yes I tried). It will take a few work days before the quotes come back and you can see the insurance options.

The medical options I obtained using Milwaukee as my headquarters were all Aetna plans. The options similar to my TriNet HSA compatible plan were all "Aetna Open Access Managed Choice" type POS plans. The co-pays, deductibles, max out of pocket amounts, and similar measures were adjusted differently here and there but otherwise similar. The key observation is that in the case of a catastrophic medical event which exceeds your max out of pocket amounts, the TriNet Aetna plans and the JustWorks Aetna plans are basically identical in terms of quality of care.

The big differences between TriNet and JustWorks in terms of medical insurance plans is in breadth. TriNet makes both United Health Care and Aetna plans available to me in Milwaukee; JustWorks only provides Aetna plans. Furthermore, TriNet provides nose bleed priced policies with premiums in the \$2500/month range with extremely low co-pays as well as much lower priced options similar to what JustWorks has.

If you sum the max out of pocket family limit and yearly premiums for all the plans, you will discover the HSA compatible plans are clearly the best choice even in catastrophic situations. Even if you are trying to use free health care to recruit very highly compensated employees, employees will be better off if you max out their HSA savings accounts and fully subsidize their HSA compatible plan premiums. Maybe even pay for direct primary care on top of that with money saved from avoiding the nose bleed premium plans.

Reference Info: Quality of Care

Due to lack of data and possibly intentional obfuscation by the insurance industry, it is exceptionally hard to compare different insurance plans in terms of quality of care. By quality of care I am referring to things such as size and prestige of the doctor networks, willingness to pay, and just generally not fighting the doctors. The best information I have found so far on this topic is from The Henry J. Kaiser Family Foundation: <https://www.kff.org/private-insurance/issue-brief/claims-denials-and-appeals-in-a-ca-marketplace-plans/>

I had a relatively good experience with Aetna when my wife had a serious accident resulting in months of hospitalization. The doctors were generally fantastic and the in-network hospital involved is even in walking distance from our home. So high-end trauma care access was good. In contrast, even with large group Aetna coverage routine primary care physician access suffers from the usual problems. Insurance companies often squeeze the primary care doctors too tightly for them to provide ideal levels of patient care.

Reference Info: Direct Primary Care

A potential solution I am yet to experiment with is Direct Primary Care. The pure models make me a bit nervous price wise, yet the hybrid models look interesting. My suspicion is the hybrid and pure models may be almost the same in practice.

Leveraging direct primary care may well be the solution to a better primary care physician experience. I have heard good things so far from everyone I talked to about this, including a couple of physician friends.

Direct Primary Care looks to cost around \$100 to \$200 per month on top of your normal medical insurance. Unless you are riding on a spouse's subsidized plan, you will already be paying at least \$1200 month in premiums. So we are really only talking about another 15% to hopefully radically transform the medical care experience.

In my mind the biggest issue is likely to be having Direct Primary Care charges be applied to the deductible and max out of pocket amounts of my HSA compatible medical policy. At least one primary care doctor's website in my area implies they will provide properly coded receipts that can be submitted to one's insurance provider. I suspect actually submitting these will be a nightmare, but I could be wrong. It certainly is worth trying.

You are likely to find less than a half dozen primary care doctors in your area. This should make the shopping easy. After doing your initial research online you can schedule free introductory appointments with each and go visit all of them in person within a single day.

Useful Map of Direct Primary Care providers: <https://mapper.dpcfrontier.com/>

Reference Info: Telemedicine

If you find yourself doing travel heavy consulting, you will eventually find yourself sick with a bad cold or flu, stuck in a hotel away from home. The idea of telemedicine seems a very appealing solution to this problem.

With my Aetna plan I have free access to Teladoc. The problem is the Teladoc reviews are terrible. I suspect this is true of most any telemedicine offering with the same random doctor of the day problem.

I think what you really want is a remote session with your normal primary care physician. The more international travel one does, the more important this is likely to become. Telemedicine options would be a great topic to discuss if shopping around for a direct primary care physician.

I noticed Zoom meeting has a HIPAA compliant version of their product. My guess is most physicians already have a HIPAA compliant video solution in place provided to them by their hospital network.

I often find myself flying into the same client site for months on end. This makes it possible to leave a heavy bag at the hotel and only fly with a light carry-on bag. So I should be able to improve my first aid kit to include whatever would best help my primary care physician in a remote visit.

- Digital Stethoscope for Telemedicine: <https://www.thinklabs.com/>
- Zoom (HIPAA compliant): <https://zoom.us/healthcare>

Professional Employment Organization (PEO)

- #emp = 1: TriNet (UPDATE: I think TriNet has raised this limit. It seems just a tad subjective as to what their limit is, and may go back down to one in the future. It used to be very clearly one. I am grandfathered.)
- #emp>=2 (excluding spouse): JustWorks, one or two others
- #emp>=5: PayChex PEO, Several others
- #emp>=10: ADP TotalSource, every PEO

Many PEOs are limited in which states they support. The big ones can handle all 50 states. For traveling consultants, coverage in every state is generally important.

To my knowledge, TriNet is the best and only long-term solution generally available for a single shingle to access proper high quality health insurance. If you are in a state which defines small group as one, or can stay on your spouse's plan you should strongly consider doing so. Otherwise, TriNet is very likely the solution to your problem.

See the Health Insurance section above for more details on the TriNet and JustWorks medical plan options.

Reference Info

- National PEO Association: <http://www.napeo.org>
- Industry ESAC certification: <https://www.esac.org>
- IRS CPEO certification: <https://www.irs.gov/tax-professionals/cpeo-public-listings>

Accounting

- Quickbooks Online: What your CPA will be used to.
- Wave: Free for most things.

You will also need a good small business CPA capable of handling multiple states. When choosing accounting packages, consider how much of your accounting you intend to offload to your accountant. If you are delivering training to a variety of companies, you will likely have time to do more of the work yourself. If you are doing on-site consulting week after week, you will likely want to offload as much work as possible to your CPA and/or administrative assistant.

Payroll Services

- PayChex PayFlex: Properly handles multiple states in a single payroll period.
- Gusto: Well reviewed and inexpensive.

There are lots of payroll providers, any of them are likely to be much better than trying to properly calculate payroll deductions on your own.

As a traveling consultant you are very likely to find yourself billing in multiple states within a single payroll period. Sadly, most payroll services can't handle this. During my initial research a couple years ago Gusto, QuickBooks, and even ADP's small business solution couldn't handle this. PayChex's PayFlex solution could.

I was very happy with PayChex's customer service. I only left them when I converted to TriNet, prompted by my COBRA coverage ending.

If you make use of a PEO such as TriNet, then payroll support will be part of the solution. TriNet handles paying an employee who is in multiple states in a single pay period just as well as PayChex's PayFlex did.

WARNING: PayChex and ADP do not have a transparent pricing model. They are the old school leaders in their space. You have to contact them for a quote, after which their commissioned sales staff may continue to bug you long after you have chosen another provider. Their first price quote is unlikely to be the best they can do; they will typically match other provider's offers. PayChex's sales staff was a little less vulture-like than ADP. TriNet pricing is also opaque in this regard.

Retirement Savings

- Solo 401k vs Traditional 401k
- IRAs
- HSA

Notable Vendors

- Vanguard: The Boglehead's are huge fans of Vanguard.
- Fidelity: Good for anything Vanguard can't do.
- Guideline: When a traditional 401k provider is required.

TriNet will let you choose any 401k provider you wish, although they co-market with TransAmerica.

As long as you qualify, a Solo 401k is a much better choice than a traditional 401k. As soon as you have non-officer employees a traditional 401k will be required to meet the regulatory requirements. Guideline seems to get great reviews for a traditional 401k provider.

TriNet's HSA custodian choice is determined by your choice of major medical coverage. The best you can do with TriNet is to occasionally sweep the funds into an HSA of your choice. Fidelity apparently has the best HSA currently available. Vanguard does not currently offer an HSA.

Reference Info

- https://www.bogleheads.org/wiki/Three-fund_portfolio
- https://www.bogleheads.org/wiki/Vanguard_four_fund_portfolio
- <https://www.amazon.com/Bogleheads-Guide-Investing-Taylor-Larimore/dp/1118921283>
- <https://www.amazon.com/Bogleheads-Guide-Three-Fund-Portfolio-Outperforms/dp/1119487331>
- <https://www.amazon.com/Intelligent-Investor-Collins-Business-Essentials-ebook/dp/B000FC12C8>
- Solo 401K with Vanguard: <https://investor.vanguard.com/small-business-retirement-plans/open-sep-simple-individual-401k>
- Why VTSAX beats Fidelity FSKAX: Forum Posting: <https://forum.mrmoneymustache.com/investor-alley/fidelity-fstvx-vs-vanguard-vtsax>
- Why VTSAX beats Fidelity FSKAX: Article: <https://www.whitecoatinvestor.com/expense-ratios> (Reasons are tracking error and lending income.)

Medical Travel Insurance

GeoBlue Trekker Choice

- \$390/yr
- \$250,000 medical
- \$500,000 evacuation (nearest medical center of excellence)
- \$5,000 RX
- \$25,000 AD&D
- \$50 deductible (waved if in-network)
- Covers pre-existing conditions
- Allows unlimited trips
- Only for unplanned types of coverage. Not useful for routine checkup, etc.
- Supports direct payment for services. This is real medical insurance, not just a reimbursement plan.
- Only available with ACA compliant domestic medical insurance (any proper corporate plan will work)
- Trip durations can not exceed more than 70 days per trip on multiple trip version.
- Using the per trip GeoBlue Voyager Choice option allows up to 6 months.
- <https://www.geobluetravelinsurance.com/products/multi-trip/trekker-5-overview.cfm>

Medical Evacuation

To have medical evacuation back home, rather than to regional medical center of excellence requires Medjet, Ripcord, or similar competitor.

Medjet Assist

- Annual (1yr only)
- Family
- International & Domestic
- <=90days/trip
- Medical Evacuation: \$399
- Medical Evacuation, and Security Evacuation: \$578
- Website: <https://medjetassist.com>

Unlike RipCord, Medjet doesn't include in-field rescue. Medjet requires airport, or at least a helo-pad.

The Security Evacuation services are delegated to FocusPoint International. Based on the huge price difference between RipCord and Medjet for security evacuation I expect RipCord's offering is likely far better. Odds are FocusPoint is little more than a call center that helps coordinate things and maybe pays for airline tickets and such.

RipCord

- Annual
- Family
- <=90days/trip
- Medical Evacuation and Rescue: \$725
- Medical, Rescue, and Security Evacuation: \$1450
- Website: <https://www.ripcordrescuetravelinsurance.com>

Related Notes

1. RipCord will pluck you off the side of a mountain, assuming you can manage to contact them. See PLM and 2-way satellite communicator notes.
2. The more extreme the expected situation, the more I would lean towards RipCord over Medjet. For normal business travel in which normal ambulance services are covered by routine travel insurance (GeoBlue Trekker Choice, etc.) the less the need for RipCord. Based on the price difference I expect the Ripcord security evacuation services are much better than Medjet's FocusPoint International offering.
3. RipCord offers travel insurance which includes \$100,000 of medical coverage, along with baggage loss, and similar types of coverage. This is only available on a specific trip basis, not annually. If focusing on medical coverage, the GeoBlue choices look much better. I'm pretty sure this is just reimbursement, without any extensive provider network or direct bill type arrangement.
4. Adventurous treks up a mountain or through the jungle will require a Personal Locator Beacon (PLB), or more likely a 2-way satellite communicator. PLB has a one time cost, is generally very reliable, yet only offers very a simplistic one-way call for help. 2-way messengers require paying a subscription. In extreme circumstances the ideal would probably be both. (See: <https://www.rei.com/c/plbs-and-satellite-messengers>)

Expat Medical Insurance

Long-term expat work gets complicated. Private Expat medical insurance has all the same pre-existing condition problems as domestic private medical insurance.

The solution seems to be same as it is in the US, which is to make use of an international PEO.

Papaya Global is one such solution. Whereas the service fee for a domestic PEO is a couple hundred dollars per month, the international PEO service fees seem to be closer to a thousand per month. Benefits costs would be on top of this. (<https://papayaglobal.com>)

Kidnapping Insurance

When I last talked with my TechInsurance broker I briefly asked about kidnapping insurance. Turns out it is a normal thing for executives and comes bundled with professional negotiation teams and the like. It is also very pricey. We didn't get into details but I got the impression it is on the order of \$10,000/year or more. If you have a client that really needs you to go somewhere with a slight kidnapping risk, perhaps you just build this into the rate. If your client needs you to go to somewhere with a high kidnapping risk, I suggest you look for a different client. :)

The key lesson here is you can just call a professional corporate insurance broker such as TechInsurance and they can tell you more.

Administrative Assistant

Pink Spaghetti: <https://www.pink-spaghetti.co.uk>

I have been extremely happy with Pink Spaghetti. I found them based on a strong recommendation from a client of my editor. I would be very surprised if a random well reviewed on-line virtual administrative service would be as good. I am currently paying 25GBP/hr, which equates to around \$31/hr. This gets me an intelligent work from home part-time person who can handle significant complexity which the average admin probably never could. Pink Spaghetti also has good depth of bench. As I only use a couple hours a week on average, the rate is very reasonable.

I'm sure there are some great US based choices with similar quality of service. I just don't know who they are. Unless my demand radically increases, I am not willing to risk poor service for a small reduction in rate.

Using a Pass-Through

- corp-to-corp
- W2

Non-Compete Clauses

Be careful to remove any non-compete clauses from your legal agreements with a pass-through. The pass-through vendor knows they shouldn't be there, and will typically remove them without complaint. They are often an artifact of the pass-through using the same boiler plate legal text they use when they were responsible for establishing the end client relationship.

You can seek legal council for this or you can just carefully read the contracts and redline whatever makes sense. Most standard contracts are well written such that knocking out non-compete clauses is relatively straightforward.

Explaining a PEO Relationship to a Pass-Through

In my experience the administrative personal at a pass-through are seldom familiar with a PEO relationship. The administrative personal typically have a large checklist of items they will request from you and are just looking to ensure your compliance. They typically didn't make the checklist (their boss did), they just enforce it.

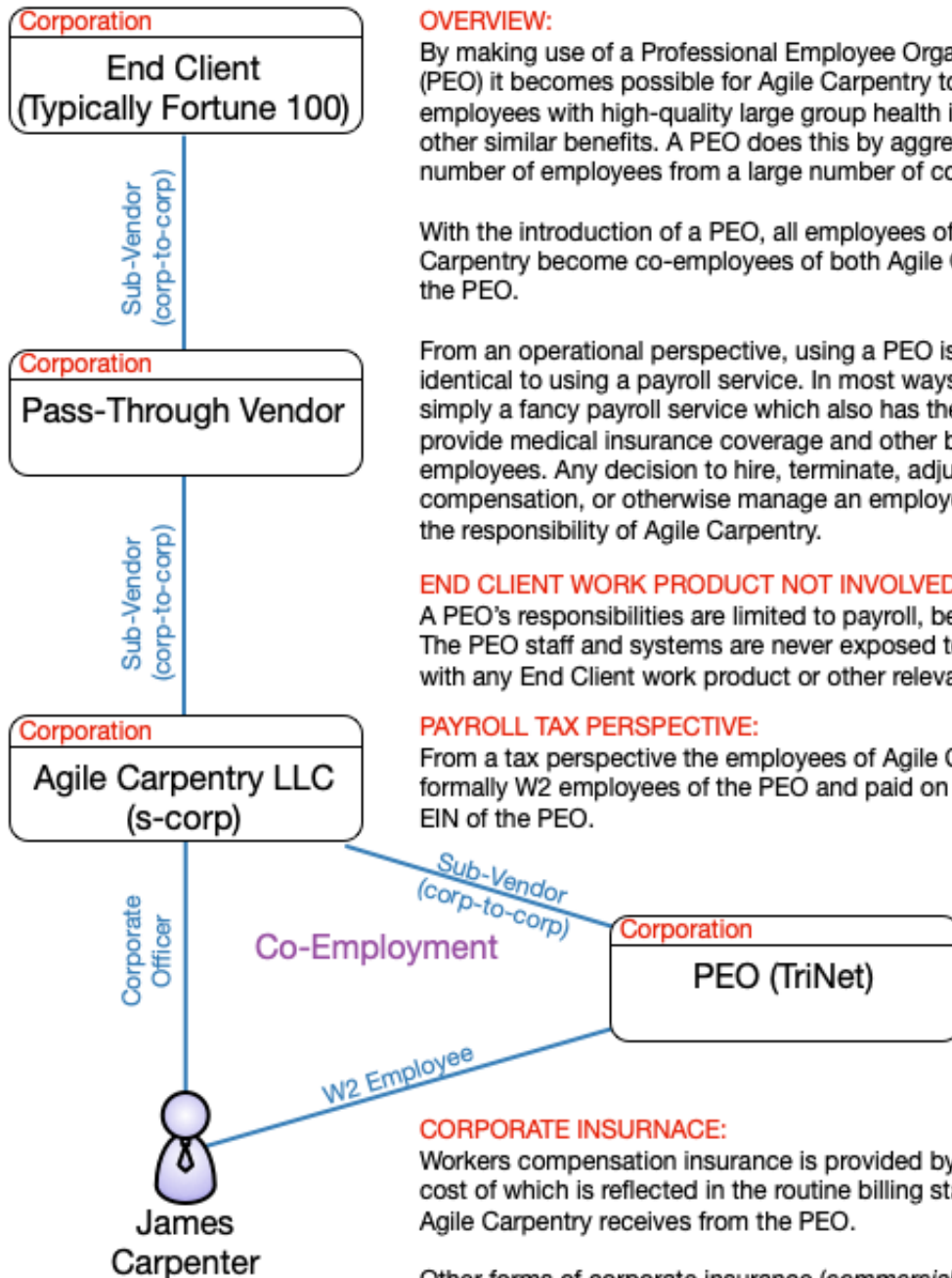
With a PEO relationship, your workers compensation insurance will come from the PEO with your own legal entity providing all the remaining corporate insurance. To get through this you will need to explain the situation in an email knowing it will very likely get kicked up the food chain for approval. In my experience the pass-through vendor always accepts the constraints imposed by the PEO relationship. The trick is it generally takes a few days before the exception bubbles up to someone within the pass-through who has the authority and legal insight to say yes. The pass-through wants their 2% to 3% commission, so they are extremely likely to say yes once they feel it is safe to do so.

The key artifacts you will need are:

- A letter of explanation from your PEO explaining the IRS 940 and 941 forms the PEO submits to the IRS contain information from other PEO clients as well. So the pass-through can't see them. (TriNet provides these all the time, just ask for one when you need it.)
- A diagram explaining the co-employment relationship.
- The proof of WC insurance from the PEO.
- An email or letter which pulls this all together.

Here is an example of the sort of diagram you will need.

Corporate Relationships as of October 16, 2018 Cut-Over



OVERVIEW:

By making use of a Professional Employee Organization (PEO) it becomes possible for Agile Carpentry to provide its employees with high-quality large group health insurance and other similar benefits. A PEO does this by aggregating a large number of employees from a large number of companies.

With the introduction of a PEO, all employees of Agile Carpentry become co-employees of both Agile Carpentry and the PEO.

From an operational perspective, using a PEO is almost identical to using a payroll service. In most ways a PEO is simply a fancy payroll service which also has the ability to provide medical insurance coverage and other benefits to the employees. Any decision to hire, terminate, adjust compensation, or otherwise manage an employee remains the responsibility of Agile Carpentry.

END CLIENT WORK PRODUCT NOT INVOLVED

A PEO's responsibilities are limited to payroll, benefits, etc. The PEO staff and systems are never exposed to or involved with any End Client work product or other relevant IP.

PAYROLL TAX PERSPECTIVE:

From a tax perspective the employees of Agile Carpentry are formally W2 employees of the PEO and paid on the Federal EIN of the PEO.

CORPORATE INSURANCE:

Workers compensation insurance is provided by the PEO, the cost of which is reflected in the routine billing statements Agile Carpentry receives from the PEO.

Other forms of corporate insurance (*commercial general liability, fidelity bond*) are still the responsibility of Agile Carpentry. The Pass-Through Vendor and/or the End Client are typically added as additional insured on the corporate insurance policies to meet contract compliance standards.

REFERENCE INFORMATION:

What is a PEO: <https://www.napeo.org/what-is-a-peo/selecting-a-peo/faqs>

TriNet PEO: <https://www.trinet.com/>

Legal Services

Not discussed as a group.

Incorporation State

- State of Residence
- Wyoming
- Nevada
- Delaware
- Texas

Registered Agent Services

Northwest Registered Agent: <https://www.northwestregisteredagent.com/>

NW Registered Agent is hands down the best registered agent I know of. They provide service in all 50 states, free mail scanning, fair pricing, and amazing customer support. My initial registered agent failed all of the above, which is one of the reasons I am so delighted to have found NW Registered Agent.

With the relative inexperience of many buyers, I see a lot of predatory pricing and marketing practices in the incorporation and registered agent space. I strongly advise you use NW Registered Agent or one of the other very well reviewed registered agent services with nationwide support.

Here are a few reviews of various registered agents I found with a quick google search. All of them talk about how good NW Registered Agent is.

- <https://startupsavant.com/best-registered-agent-services>
- <https://bestllcservices.com/best-registered-agent-services/>
- <https://thedigitalmerchant.com/legal/best-registered-agent-services/>

NW Registered Agent can also help you incorporate at very reasonable prices.

LLC vs. C-Corp

There was discussion of various tax benefits of an LLC vs a C-corp. Determining the most tax advantaged option is highly dependent on your individual circumstances. An LLC has a little less paperwork overhead, yet the paperwork for a tightly held C-corp isn't all that bad.

Another aspect is the importance of having yourself be a W2 employee if performing long-term on-site work at a client. For an LLC, this means you will need to choose an s-corp tax election.

Tax Avoidance and Corporate Structure

As part of some research on various corporate structures I have been reading Corporations: Seventh Edition by Alan R Palmiter. The attached two examples speak directly to the tax implications of pass-through vs. corporate tax.

This is particularly relevant to the choice of an LLC with s-corp tax election (a pass-through entity), vs. a C-Corp. Taxes have changed a bit since the book was written, but the spirit is the same.

As CK explained there are other tax avoidance benefits of a C-Corp which may outweigh the double taxation. I believe it all boils down to various strategies to minimize corporate profits prior to taxation. It is important to remember an LLC has a choice of being taxed as a partnership/sole-proprietorship, an S-Corp, or a C-corporation.

Please add comments if you have additional insight to add. I am far from an expert in any of this.

§2.3 Taxation — Critical Element in the Choice

Case 1 (Low Income)		
Bud and Rudy's flower shop generates \$150,000 in revenues and \$110,000 in tax-deductible expenses during the first year — generating \$40,000 in taxable income. They share equally in after-tax earnings, they each are subject to tax rates for married individuals filing jointly, and they have no other income.		
	Flow-Through Entity	Corporation
Taxable income	\$40,000	\$40,000
Entity tax	None	
entity rate		15% of taxable income
entity tax		\$6,000
amount for distribution	\$40,000	\$34,000
Individual tax	Flow-through	Tax on dividends
distribution to each owner	\$20,000	\$17,000
individual rate	\$1,700 + 15% of taxable income > \$17,000	10% of taxable income
individual tax	\$2,150	\$1,700
after-tax income	\$17,850	\$15,300
Total tax (entity + individual)	\$4,300	\$9,400
Overall tax rates		
effective rate	10.9%	23.6%
marginal rate	15.0%	27.8%

Case 2 (High Income)		
The same as Case 1, except the flower shop generates \$1,300,000 in revenues and \$900,000 in tax-deductible expenses — generating taxable income of \$400,000.		
	Flow-Through Entity	Corporation
Taxable income	\$400,000	\$400,000
Entity tax	None	
entity rate		\$113,900 + 34% of taxable income > \$335,000
entity tax		\$136,000
amount for distribution	\$400,000	\$264,000

amount for distribution	\$400,000	\$204,000
Individual tax	Flow-through	Tax on dividends
distribution to each owner	\$200,000	\$132,000
individual rate	\$28,807 + 28% of taxable income > \$139,350	\$9,500 + 25% of taxable income > \$69,000
individual tax	\$45,070	\$26,030
after-tax income	\$154,931	\$105,971
Total tax (entity + individual)	\$90,139	\$188,059
Overall tax rates		
effective rate	22.5%	47.0%
marginal rate	28.0%	52.5%

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Citizenship Constraints

S-corp eligibility constraints are sometimes an issue (<https://www.irs.gov/businesses/small-businesses-self-employed/s-corporations>). An s-corp is only an option if all shareholders are US citizens or residents.

Visa Sponsorship

Apparently one trick as an immigrant is to have your corporation sponsor your visa, green card application, etc. If you are in this situation, a traditional C-corp may be your only good option. Although I have lots of great friends who are immigrants, I personally have very little understanding of all the complexities involved. Perhaps those who do can add useful comments.

Sales/Marketing

Not discussed as a group.

A key element is how to establish a direct relationship with a sponsor with budgetary authority. This is not something I have personally developed a great grasp of. I have successfully established a direct relationship several times, yet only by being willing to sit on the bench for some time to achieve it.