



OPEN LAW SERVICES INSTITUTE

OPEN KNOWLEDGE · GREATER JUSTICE

OLSI BUSINESS LEGAL GUIDE · FLORIDA SMALL BUSINESSES

Choosing an LLC or a Corporation in Florida

Almost every Florida business starts with the same fork in the road: LLC or corporation. This guide compares the two the way Florida law actually treats them — liability shields and veil piercing, charging orders, formalities, taxes and the S election, and real formation and maintenance costs.

JURISDICTION Florida	AUDIENCE Small Business Owners & Founders	LAST REVIEWED July 2026
READING TIME ~45 min		

WHAT THIS GUIDE COVERS

- 01 The choice, in plain English
- 02 The two governing statutes
- 03 What both give you: the liability shield
- 04 Where the shield fails: piercing the veil
- 05 Formalities: Florida's biggest structural difference
- 06 Charging orders — the LLC's quiet superpower
- 07 The single-member LLC gap (*Olmstead*)
- 08 How each entity is taxed
- 09 The S-corporation election
- 10 Self-employment tax vs. salary + distributions
- 11 Costs: forming & maintaining each entity
- 12 Miss the annual report? Dissolution & reinstatement
- 13 Licensed professionals: P.A. & PLLC
- 14 Side-by-side comparison
- 15 Which entity fits which business

IMPORTANT — PLEASE READ

Open Law Services Institute is not a law firm and does not provide legal advice. This guide gives general legal information to help you understand how Florida law treats LLCs and corporations so you can compare the two entity forms. It cannot tell you what to do in your specific situation, and using it does not create an attorney–client relationship. For advice about your situation, consult a Florida-licensed attorney. Learn more at www.openlawservices.org.

START HERE

One decision, four real differences

The LLC-versus-corporation choice gets treated like a personality quiz. In Florida, it is really four concrete legal questions.

Both a Florida limited liability company and a Florida corporation give their owners a **liability shield**, a perpetual legal existence, and a vehicle that can hire, contract, sue, and be sued. The genuine differences are narrower — and more important — than the folklore: **(1)** how much ongoing formality the law demands, **(2)** how well the entity protects the *business from the owner's* personal creditors, **(3)** how the profits are taxed, and **(4)** what investors and buyers will expect. This guide walks each one under the actual Florida statutes and cases.

PRACTICE POINTER · THE CHOICE IS NOT FOREVER

Florida law lets an LLC convert into a corporation and a corporation convert into an LLC through a statutory **conversion**.

⁴⁴ Conversions have tax consequences — sometimes serious ones — so they are not free do-overs, but you are not marrying the entity form. Pick the best fit for the next several years, not for eternity.

What this guide assumes

It assumes a Florida-based small business choosing between a Florida LLC and a Florida for-profit corporation. Sole proprietorships and general partnerships (no shield at all), nonprofits, and out-of-state entities raise different questions. Licensed professionals — doctors, lawyers, CPAs, architects — have a special overlay covered near the end.

THE LEGAL LANDSCAPE

Two statutes govern the choice

Every rule in this guide traces back to one of two chapters of the Florida Statutes — and both were modernized recently.

605 Florida Revised Limited Liability Company Act — Chapter 605

Governs every Florida LLC. Enacted in 2013 and mandatory for all Florida LLCs since January 1, 2015.¹ Florida added *protected series* LLC provisions effective January 1, 2025.⁴³

607 Florida Business Corporation Act — Chapter 607

Governs every Florida for-profit corporation. Comprehensively overhauled effective January 1, 2020 — Florida's first full rewrite in three decades, harmonized with the modern Model Business Corporation Act.²

WATCH OUT · OLDER ADVICE MAY CITE REPEALED LAW

Articles written before 2015 (for LLCs) or 2020 (for corporations) often cite superseded sections and outdated rules. Both chapters were renumbered and substantively changed. Always check the current statute — free at leg.state.fl.us/statutes — before relying on a rule.

THE SHIELD

What both entities give you: the liability shield

On the core promise — your personal assets are not on the hook for business debts — the two entities are nearly identical.

Chapter 605 puts it directly: a debt, obligation, or other liability of the LLC is **solely the company's**, and a member or manager is not personally liable simply for being a member or manager.³ Chapter 607 makes the same promise to shareholders: unless the articles of incorporation say otherwise, a shareholder is **not personally liable** for the acts or debts of the corporation.⁴

What the shield does *not* cover — in either entity

- **Personal guarantees.** Banks, landlords, and suppliers routinely require the owner to guarantee the entity's obligations personally. A guarantee waives the shield for that debt by contract — no veil-piercing needed. For most small businesses this is the single largest real-world exposure.
- **Your own wrongdoing.** You always answer for your own torts. If you personally injure someone, defraud someone, or sign in your personal capacity, the entity does not absorb that.
- **Certain taxes.** Responsible persons can be personally assessed for trust-fund taxes the business collected but failed to pay over — for example, withheld payroll taxes and collected sales tax.

PRACTICE POINTER · READ BEFORE YOU GUARANTEE

Because personal guarantees bypass the shield entirely, negotiate them: ask to cap the amount, limit the duration, exclude a spouse, or have the guarantee "burn off" after a payment history. The entity choice does nothing for a debt you guaranteed.

THE SHIELD'S LIMITS

Where the shield fails: piercing the corporate veil

Creditors can ask a court to disregard the entity and reach the owners. Florida makes that unusually hard — for both entities — but not impossible.

Florida's veil-piercing doctrine comes from the Florida Supreme Court's decision in *Dania Jai-Alai Palace, Inc. v. Sykes*: the veil may not be pierced **absent a showing of improper conduct**.¹⁴ Florida courts apply a three-part test.¹⁵ The Eleventh Circuit reads Florida law the same way.¹⁶

1 Domination & control (alter ego)

The owner dominated and controlled the entity to such an extent that its independent existence was in fact non-existent — the entity was a mere instrumentality.

2 Improper or fraudulent use

The entity form was *used for an improper purpose* — to mislead or defraud creditors, evade an existing obligation, or work an injustice. Sloppiness alone is not enough.

3 Causation

The improper use of the entity caused the plaintiff's injury.

The most recent leading LLC application, *Segal v. Forastero, Inc.*, drives home how creditor-hostile the doctrine is: piercing is not “an after-the-fact, judicially imposed personal guaranty,” and **undercapitalization or loose bookkeeping alone will not suffice**.¹⁷ Decades of Florida appellate decisions confirm the same demanding standard.¹⁸

WATCH OUT · COMMINGLING IS HOW OWNERS LOSE

The classic fact pattern that *does* pierce: the owner treats the entity's bank account as a personal wallet, pays personal bills from it, strips assets when a claim looms, and leaves creditors an empty shell. Whatever entity you choose, keep **separate bank accounts**, sign documents in the entity's name and your title, and never move money without recording what it is (salary, distribution, loan).

STRUCTURE & FORMALITIES

Formalities: Florida's biggest structural difference

Corporations must run on statutory rails — a board, bylaws, annual meetings, minute books. Florida LLCs get a statutory pass that corporations do not.

The corporate formality set

A Florida corporation is governed by a **board of directors**⁶ that acts through **officers**.⁷ It must adopt **bylaws**,¹⁰ hold an **annual shareholders' meeting**,¹¹ and permanently keep prescribed **records** — minutes, consents, shareholder lists, financial statements, and current governing documents.¹² Shareholders own **shares**,⁹ the board manages; officers execute. A closely held corporation can soften some of this rigidity through a **shareholder agreement**, which Florida law lets owners use to restructure governance — even to eliminate the board.⁴⁵

The LLC's pass

An LLC is **member-managed by default**,⁵ owners hold membership interests with a *transferable interest* in distributions,⁸ and no statute requires bylaws, annual meetings, or a minute book. More importantly, Chapter 605 says out loud what Chapter 607 does not: an LLC's **failure to observe formalities** relating to its powers or management **“is not a ground for imposing liability”** on its members or managers.¹³

WHY THIS ASYMMETRY MATTERS

There is **no parallel provision in Chapter 607**. For a corporation, ignored formalities — no meetings, no minutes, no separation — remain evidence a creditor can use in a veil-piercing case. For an LLC, formality lapses alone are statutorily off the table (though commingling and fraud still count). If you know you will never keep a minute book, that is a real point for the LLC.

WATCH OUT · “NO REQUIRED FORMALITIES” ≠ “NO PAPERWORK”

Every LLC still needs a written **operating agreement** — banks, title companies, and landlords will demand one, and Florida's statutory defaults (covered in OLSI's *Operating Agreements Explained* guide) contain surprises you almost certainly want to override.

ASSET PROTECTION

Charging orders — the LLC's quiet superpower

The shield protects you from business creditors. This section is about the opposite problem: protecting the business from your personal creditors. Here the entities genuinely diverge.

Suppose an owner is personally sued — a car accident, a divorce judgment, a defaulted personal loan — and loses. Can the winner take the business?

Multi-member LLC: creditor gets a lien, not the company

Under section 605.0503, the judgment creditor of an LLC *member* obtains only a **charging order** — a lien on the member's transferable interest that entitles the creditor to distributions the LLC would otherwise pay that member.¹⁹ For a **multi-member LLC**, the statute makes the charging order the **“sole and exclusive remedy”**²⁰ and expressly takes foreclosure off the table.²¹ The creditor gets no vote, no management rights, no records access — and if the LLC pays no distributions, the creditor waits.

Corporation: shares can simply be seized

Corporate stock enjoys **no comparable protection**. Shares are ordinary personal property subject to **levy and sale under execution**,²⁴ and the buyer at the execution sale succeeds to the shares' voting and economic rights. A creditor who seizes a controlling block can elect the board and control the company.

Lien only

creditor's remedy against a multi-member LLC interest²⁰

No vote

a charging-order creditor gets distributions, not control¹⁹

Levy & sale

corporate shares can be executed on and sold²⁴

PRACTICE POINTER · WHO THIS MATTERS FOR

Charging-order protection matters most for owners with real personal-liability exposure — professionals, real-estate investors, anyone with meaningful personal debt or a risky spouse-owned business. For a two-person operating company where both owners have clean personal balance sheets, it is a smaller factor — but it never hurts.

ASSET PROTECTION

The single-member LLC gap: *Olmstead* and its patch

The charging-order shield was built on a “pick your partner” rationale — and the Florida Supreme Court held that rationale evaporates when there is only one member.

In *Olmstead v. FTC*, the Florida Supreme Court held that a court may order a judgment debtor to **surrender all right, title, and interest** in the debtor's **single-member LLC** to satisfy a judgment — because with one member, there are

no co-members whose pick-your-partner rights need protecting.²² The Legislature responded with the “*Olmstead* patch,” now codified in section 605.0503(4)–(5): a court may order a **foreclosure sale** of a single-member interest, but only on a showing that charging-order distributions **will not satisfy the judgment within a reasonable time** — and the buyer then acquires the member’s *entire* interest and becomes the sole member.²³

WATCH OUT · ONE MEMBER = WEAKER WALL

A single-member Florida LLC still shields you from *business* creditors, but against your *personal* creditors it is decisively weaker than a multi-member LLC. If asset protection is a priority, a genuine second member with a real economic interest changes the statute that applies — but a token 1% “straw” member added only to game the statute invites exactly the improper-purpose scrutiny courts punish. Get advice before structuring around this.

TAXES

How each entity is taxed

Here is the part most guides get backwards: the entity you form and the way it is taxed are two different choices.

Under the federal **check-the-box** regulations, a single-member LLC is **disregarded** (its income lands on the owner’s personal return) and a multi-member LLC is taxed as a **partnership** — unless the LLC affirmatively elects to be taxed as a corporation.²⁵ A corporation, by contrast, **defaults to C-corporation** treatment: the entity pays tax on its profits under the Internal Revenue Code,²⁶ and shareholders pay tax again on dividends — the classic “**double taxation.**”

A LLC, default

Pass-through. Profits flow to the owners’ returns and are taxed once, at the owner level. No separate federal entity-level income tax.

B Corporation, default (C corp)

Two layers: the corporation pays federal corporate income tax on its profit, then shareholders pay tax on dividends. Florida adds a 5.5% state corporate income tax.²⁹

C Either entity, S election

Both an LLC (by election) and a corporation can elect **S-corporation** status — pass-through taxation with a payroll-tax planning feature. Covered next.

Florida’s state picture is friendly. The state corporate income tax rate is **5.5%**,²⁹ with a **\$50,000 exemption**,³⁰ and Florida’s constitution prohibits any tax on the personal income of individuals.³¹ So the Florida owner of a pass-through entity pays *no state income tax* on the business’s profits; the C corporation pays Florida’s 5.5% at the entity level.³²

WATCH OUT · “LLC” IS NOT A TAX STATUS

People say “taxed as an LLC.” There is no such thing. An LLC is taxed as a disregarded entity, a partnership, an S corporation, or a C corporation — you pick. This is exactly why the entity choice and the tax choice should be made together, ideally with a CPA.

TAXES

The S-corporation election

“S corp” is a tax status, not an entity. Both LLCs and corporations can elect it — if they fit inside strict federal limits.

Subchapter S removes the entity-level tax while keeping a corporate form (or an LLC that elects corporate-then-S treatment).²⁷ The trade-off is a tight eligibility box. The corporation may have **no more than 100 shareholders, only one class of stock** (differences in voting rights are allowed), and **only** individuals, estates, and certain trusts as shareholders — **no** nonresident-alien, corporate, or partnership owners.²⁸

PRACTICE POINTER · WHEN THE S ELECTION PAYS OFF

The S election shines for a profitable, owner-operated business once profits comfortably exceed a reasonable salary for the owner’s work — because of the payroll-tax split covered in the next section. Below that point, the added payroll and compliance cost can outweigh the savings. Run the numbers with a CPA before electing.

WATCH OUT · ONE CLASS OF STOCK KILLS MANY DEALS

The single-class-of-stock rule means an S corporation cannot issue the preferred stock that venture investors expect, and cannot have foreign or entity owners. A company planning to raise institutional capital usually wants a **C corporation** (frequently a Delaware C corporation) instead — discussed below under “which entity fits which business.”

TAXES

Self-employment tax vs. salary + distributions

This is the concrete dollar difference that drives most S elections — and the place the IRS pushes back hardest.

An active member of a pass-through LLC generally pays **self-employment tax** on all of the business’s net earnings.³³ An S-corporation shareholder-employee splits their pay into two buckets: a **reasonable salary** (subject to Social Security and Medicare payroll taxes) and **distributions** of the remaining profit (not subject to those taxes). Done correctly, that split can save meaningful payroll tax on the distribution portion.

WATCH OUT · “REASONABLE” IS THE WHOLE BALLGAME

The savings tempt owners to pay themselves a tiny salary and take everything else as distributions. The IRS scrutinizes exactly that. If your salary is unreasonably low for the work you do, the IRS can **recharacterize distributions as wages** and assess back payroll tax, interest, and penalties.³⁴ Pay yourself what the role is genuinely worth.

COSTS

Costs: forming and maintaining each entity

On out-of-pocket cost, the two entities are close — and closer than most people assume. All figures are the Florida Division of Corporations (Sunbiz) fees verified July 2026.

Cost	Florida LLC	Florida for-profit corporation
To form (state filing)	\$125 (\$100 articles + \$25 registered agent) ³⁶	\$70 (\$35 articles + \$35 registered agent) ³⁸
Annual report (on time, by May 1)	\$138.75 ³⁵	\$150 ³⁷
Late annual report (after May 1)	\$538.75 (\$138.75 + \$400) ³⁹	\$550 (\$150 + \$400) ³⁹
Optional Certificate of Status	\$5 ³⁶	\$8.75 ³⁸
Reinstatement after dissolution	\$100 + missed-year fees ⁴¹	\$600 + missed-year fees ³⁸

The corporation is *cheaper to form* but carries a higher annual report fee and a much higher reinstatement fee. Over a business's life the running costs roughly wash out. The bigger cost difference is **indirect**: a corporation's required formalities — board meetings, minutes, an annual meeting — take time or accounting fees the LLC does not owe.¹³

PRACTICE POINTER · SKIP THE MIDDLEMAN FOR THE STATE FEE

Formation services advertise "free LLC" and then charge for the state fee plus add-ons. You can file directly at **efile.sunbiz.org** and pay only the state fee. A registered-agent service or attorney can still be worth it — but you are never *required* to pay a third party to file.

STAYING ALIVE

Miss the annual report? Dissolution and reinstatement

Both entities must file one Florida annual report a year. Missing it is the most common way small businesses accidentally lose their shield.

The annual report is due between **January 1 and May 1** for both LLCs³⁵ and corporations.³⁷ It is not a tax return — it just confirms your address, registered agent, and managers or officers. File after May 1 and a **\$400 late fee** attaches automatically and **cannot be waived**.³⁹ Fail to file entirely and the state will **administratively dissolve** the entity — in 2026, dissolution takes effect the fourth Friday of September (September 25) if you have not filed by the third Friday (September 18).⁴⁰

WATCH OUT · A DISSOLVED ENTITY CANNOT SUE

An LLC that has not filed its annual report may not maintain or defend a court action until it does.³⁵ Operating a dissolved entity can also expose owners personally for obligations incurred during the lapse. Reinstatement is available — it relates back so the entity is treated as never dissolved⁴¹ — but it costs more (especially for corporations at \$600 plus missed-year fees) and creates a gap you do not want on your record.

PRACTICE POINTER · CALENDAR IT IN JANUARY

File in January or February, not late April — Sunbiz slows to a crawl in the final days before May 1. Put a recurring January reminder on your calendar and keep your registered agent's address current, because the state's dissolution warnings go there.

SPECIAL CASE

Licensed professionals: the P.A. and the PLLC

If you need a state license to do the work — medicine, law, accounting, architecture, and the like — a special chapter overlays your entity choice.

Licensed professionals who render their services through an entity generally must use a **professional** form under Chapter 621: a **professional association (P.A.)** built on Chapters 607 + 621, or a **professional limited liability company (PLLC)** built on Chapters 605 + 621.⁴² Ownership is limited to licensees of the same profession, and the professional form does **not** shield you from liability for your *own* malpractice — but it does shield you from a *co-owner's* malpractice and from the entity's ordinary business debts.⁴²

WATCH OUT · YOUR BOARD'S RULES COME FIRST

Your licensing board (the Florida Bar, the Board of Medicine, the Board of Accountancy, and so on) has its own naming, ownership, and practice rules that sit on top of Chapters 605/607/621. Confirm your board's requirements before you file, because a noncompliant name or ownership structure can jeopardize the license itself.

AT A GLANCE

Side-by-side comparison

The whole comparison on one page. Use it as a starting map, not the final word — the sections above carry the nuance.

Feature	Florida LLC	Florida corporation
Governing law	Chapter 605 ¹	Chapter 607 ²
Owners called	Members	Shareholders
Managed by	Members by default; managers if elected ⁵	Board of directors → officers ⁶
Liability shield	Yes ³	Yes ⁴
Formalities required by statute	None; lapses can't alone create liability ¹³	Bylaws, annual meeting, minute book, records ¹⁰¹¹¹²
Protection from owner's creditors	Strong (multi-member); weaker (single-member) ²⁰²²	Weak — shares can be seized ²⁴
Default federal tax	Pass-through ²⁵	C corp (double tax) ²⁶
S election available	Yes (elect corp, then S) ²⁷	Yes ²⁷
Preferred stock / VC-friendly	Awkward	Yes (C corp)
State filing to form	\$125 ³⁶	\$70 ³⁸
Annual report	\$138.75 ³⁵	\$150 ³⁷

MAKING THE CALL

Which entity fits which business

Statutes describe the options; these patterns describe the choices most Florida small businesses actually make.

● Solo operator / freelancer / consultant

Usually a **single-member LLC**. Cheapest to run, no formalities, pass-through by default. Add the S election once profit reliably clears a reasonable salary and the payroll-tax split earns its keep.

● Two or more owners running the business together

Usually a **multi-member LLC** with a real operating agreement — you get the strongest charging-order protection and full flexibility to tailor management, voting, and distributions.

● Real-estate holding or segmented assets

Almost always an **LLC**, often one LLC per property, for liability separation and charging-order protection. Florida's new **protected series LLC**⁴³ may fit multi-property portfolios — get advice, since it is new.

● Planning to raise venture capital or issue stock options

Usually a **C corporation** (frequently Delaware) — investors expect preferred stock and a familiar cap table, which the S election's one-class-of-stock limit²⁸ forbids.

● Licensed professional practice

A **PLLC or P.A.** under Chapter 621⁴² — and check your licensing board's rules first.

PRACTICE POINTER · FORMALITIES DISCIPLINE BEATS ENTITY CHOICE

Whichever you pick, the behavior that actually protects your personal assets is the same: separate bank accounts, sign in the entity's name, adequate capitalization, and clean records. A perfectly chosen entity run out of a personal checking account is a veil-piercing case waiting to happen.¹⁷

BEFORE YOU FILE

A quick decision checklist

- I understand both entities give a liability shield — and that personal guarantees and my own torts fall outside it.

- I know Florida's veil-piercing test requires improper conduct, and I plan to keep finances separate.

- I've weighed formalities: a corporation needs a board, bylaws, meetings, and minutes; an LLC does not.

- I've considered charging-order protection — strongest for a multi-member LLC, weak for corporate shares.

- If I'm a single-member LLC, I understand the *Olmstead* gap in personal-creditor protection.

- I've chosen a tax treatment (pass-through, C corp, or S) *with a CPA*, not just an entity.

- I've budgeted the state fees and the annual report, and calendared the May 1 deadline.

- If I'm a licensed professional, I've confirmed my board's rules and the PLLC/P.A. requirements.

Where to find the law — and file — for free

Florida Statutes Ch. 605, 607, 621, 220 — leg.state.fl.us/statutes

Florida Division of Corporations (Sunbiz) — dos.fl.gov/sunbiz

File online — efile.sunbiz.org

Current filing & annual-report fees — [Sunbiz fee schedule](#)

Open My Florida Business (state one-stop) — openmyfloridabusiness.gov

Florida SBDC Network (free advising) — floridasbdc.org

IRS Small Business & Self-Employed — irs.gov

Free Florida case law — [Google Scholar](#)

PRACTICE POINTER · VERIFY BEFORE YOU RELY

Statutes, fees, and tax rules change — Florida's corporate rate, the series-LLC law, and the federal contractor rules all shifted between 2023 and 2026. Confirm the current statute, the current Sunbiz fee, and the current IRS guidance before acting. For more OLSI guides, visit www.openlawservices.org.

SOURCES & AUTHORITIES

Endnotes

Every legal proposition in this guide is grounded in the authorities below, cited in Bluebook form and verified against official Florida and federal sources as of July 2026.

1. Ch. 605, Fla. Stat. (2025) (Florida Revised Limited Liability Company Act), enacted by ch. 2013-180, Laws of Fla.; see § 605.1108(2), Fla. Stat. (2025) (Act governs all Florida LLCs since January 1, 2015).
2. Ch. 607, Fla. Stat. (2025) (Florida Business Corporation Act), comprehensively revised by ch. 2019-90, Laws of Fla. (effective Jan. 1, 2020).
3. § 605.0304(1), Fla. Stat. (2025) (“A debt, obligation, or other liability of a limited liability company is solely the debt, obligation, or other liability of the company”; members and managers not personally liable solely by status).
4. § 607.0622(2), Fla. Stat. (2025) (unless the articles provide otherwise, a shareholder is not personally liable for the acts or debts of the corporation).
5. § 605.0407(1), Fla. Stat. (2025) (LLC is member-managed unless the operating agreement or articles expressly provide manager-management).
6. § 607.0801(1), Fla. Stat. (2025) (corporate powers exercised by or under the direction of the board of directors).
7. § 607.08401, Fla. Stat. (2025) (corporate officers).
8. § 605.0102(66), Fla. Stat. (2025) (defining “transferable interest”).
9. §§ 607.0601–607.0640, Fla. Stat. (2025) (authorized shares, issuance, and share rights).
10. § 607.0206, Fla. Stat. (2025) (bylaws).
11. § 607.0701, Fla. Stat. (2025) (annual shareholders’ meeting).

12. § 607.1601, Fla. Stat. (2025) (corporate records that must be kept).
13. § 605.0304(2), Fla. Stat. (2025) (failure of an LLC to observe formalities relating to the exercise of its powers or management “is not a ground for imposing liability” on members or managers).
14. *Dania Jai-Alai Palace, Inc. v. Sykes*, 450 So. 2d 1114, 1121 (Fla. 1984) (corporate veil may not be pierced absent a showing of improper conduct).
15. *Gasparini v. Pordomingo*, 972 So. 2d 1053, 1055 (Fla. 3d DCA 2008) (three-part test: alter-ego domination, improper or fraudulent use of the entity, and resulting injury).
16. *Molinos Valle Del Cibao, C. por A. v. Lama*, 633 F.3d 1330, 1349 (11th Cir. 2011) (applying Florida’s three-part veil-piercing standard).
17. *Segal v. Forastero, Inc.*, 322 So. 3d 159, 163 (Fla. 3d DCA 2021) (piercing is not “an after-the-fact, judicially imposed personal guaranty”; undercapitalization or loose bookkeeping alone insufficient).
18. *E.g., Hourl v. Boaziz*, 196 So. 3d 383 (Fla. 3d DCA 2016); *Hilton Oil Transp. v. Oil Transp. Co.*, 659 So. 2d 1141 (Fla. 3d DCA 1995); *111 Props., Inc. v. Lassiter*, 605 So. 2d 123 (Fla. 4th DCA 1992).
19. § 605.0503(1), Fla. Stat. (2025) (judgment creditor of a member may obtain a charging order — a lien on the debtor’s transferable interest and the right to distributions that would otherwise be paid).
20. § 605.0503(3), Fla. Stat. (2025) (charging order is the “sole and exclusive remedy” of a judgment creditor against a member’s interest).
21. § 605.0503(6), Fla. Stat. (2025) (foreclosure of a charging-order lien unavailable where the LLC has more than one member).
22. *Olmstead v. FTC*, 44 So. 3d 76, 83 (Fla. 2010) (court may order a judgment debtor to surrender all right, title, and interest in the debtor’s single-member LLC to satisfy a judgment).
23. § 605.0503(4)–(5), Fla. Stat. (2025) (post-*Olmstead* single-member rule: foreclosure sale available if charging-order distributions will not satisfy the judgment within a reasonable time; purchaser obtains the member’s entire interest and becomes the member).

SOURCES & AUTHORITIES (CONTINUED)

Endnotes

1. § 56.061, Fla. Stat. (2025) (“stock in corporations” is subject to levy and sale under execution).
2. Treas. Reg. § 301.7701-3 (entity classification: single-member LLC disregarded and multi-member LLC a partnership by default, unless corporate treatment elected).
3. 26 U.S.C. § 11 (income tax imposed on corporations); *see also* 26 U.S.C. §§ 61, 63.
4. 26 U.S.C. §§ 1361–1379 (subchapter S); IRS Form 2553 (election by a small business corporation).
5. 26 U.S.C. § 1361(b)(1) (no more than 100 shareholders; one class of stock; only individuals, estates, and certain trusts; no nonresident-alien shareholders).
6. § 220.11(2), Fla. Stat. (2025) (Florida corporate income tax rate of 5.5%).
7. § 220.14(1), Fla. Stat. (2025) (\$50,000 exemption).
8. Fla. Const. art. VII, § 5(a) (prohibiting a state tax on the income of natural persons).
9. Fla. Dep’t of Revenue, *Florida Corporate Income Tax*, floridarevenue.com/taxes/taxesfees/Pages/corporate.aspx (visited July 2026).
10. 26 U.S.C. § 1401 (self-employment tax on net earnings from self-employment).
11. Rev. Rul. 74-44, 1974-1 C.B. 287 (IRS may recharacterize distributions as wages where an S-corporation pays an unreasonably low salary).
12. § 605.0212, Fla. Stat. (2025) (LLC annual report due between January 1 and May 1; company that fails to file may not maintain or defend an action in Florida courts until the report is filed).
13. Fla. Dep’t of State, Div. of Corps., *LLC Fees*, dos.fl.gov/sunbiz/forms/fees/llc-fees/ (fee schedule verified July 2026) (\$125 to organize; \$138.75 annual report).
14. § 607.1622, Fla. Stat. (2025) (corporate annual report; due between January 1 and May 1).
15. Fla. Dep’t of State, Div. of Corps., *Corporation Fees*, dos.fl.gov/sunbiz/forms/fees/corporate-fees/ (fee schedule verified July 2026) (\$70 to incorporate; \$150 annual report; \$600 reinstatement).
16. § 607.193(2)(b), Fla. Stat. (2025) (\$400 late fee for annual reports filed after May 1; applied to for-profit corporations, LLCs, and limited partnerships; not subject to waiver).
17. §§ 605.0714, 607.1420, Fla. Stat. (2025) (administrative dissolution for failure to file the annual report; in practice, dissolution occurs the fourth Friday of September if the report is not filed by the third Friday — September 18 and September 25 in 2026).
18. §§ 605.0715, 607.1422, Fla. Stat. (2025) (reinstatement after administrative dissolution; reinstatement relates back so the entity is treated as never dissolved).

19. Ch. 621, Fla. Stat. (2025) (professional service corporations and limited liability companies); §§ 621.05, 621.09 (ownership limited to licensees of the same profession); § 621.07 (professional remains personally liable for own negligence but shielded from co-owners' malpractice and ordinary business debts).
20. §§ 605.2101–605.2802, Fla. Stat. (2025), enacted by ch. 2024-265, Laws of Fla. (Florida protected series LLCs, effective January 1, 2025).
21. §§ 605.1021–605.1057, Fla. Stat. (2025) (LLC mergers, interest exchanges, conversions, and domestications); §§ 607.11901–607.11955, Fla. Stat. (2025) (corporate counterparts, including domestication added by ch. 2019-90).
22. § 607.0732, Fla. Stat. (2025) (shareholder agreements; may eliminate the board, govern distributions, and restructure governance of a non-public corporation).

A note on citations: statutes, rules, fees, and agency positions are periodically amended — several authorities cited here changed between 2023 and 2026 — so always confirm the current text of any statute, rule, or case, and the current fee or form, before relying on it.