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General Partnership vs. Limited Partnership

<u>Entity</u>	<u>General Partnership</u>	<u>Limited Partnership</u>
Formation Ownership Rules	d/b/a filed with County Clerk No limit on number of partners	Certificate of L.P. with New York SOS; No limit on number of partners
Owners' Personal Liability	Each partner has unlimited joint and several liability	Each <u>general</u> partner has unlimited joint and several liability. Limited partners generally shielded from personal liability.
Tax Treatment	No entity level tax: all profits and losses flow through to partners; income subject to self-employment tax.	No entity level tax: all profits and losses flow through to partners; income subject to self-employment tax.
Governing Documents	None required; written partnership agreement recommended.	Written partnership agreement <u>required</u> .
Management of Business	Full authority and control in each partner, unless restricted by partnership agreement.	Full authority and control in each partner, unless restricted by partnership agreement; limited partners may have specific voting rights.
Capital Contributions	New equity from new or existing partners.	New equity from new or existing partners.
Restriction on Ownership	Equal to all partners, unless partnership agreement provides otherwise.	Among the partners as required by the partnership agreement.

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