



CAN YOU CHANGE YOUR BUSINESS STRUCTURE? HERE'S WHEN YOU SHOULD

Why You Might Need to Change Your Business Structure

As your business evolves, so should your entity structure. Shifting from a sole proprietorship to an LLC, or an LLC to an S-Corp, isn't just a tax move—it's a strategic business decision. The right structure can offer better liability protection, more favorable taxation, and position your business for scalable growth.

But how do you know when it's time to pivot?

Key Indicators It's Time to Reevaluate

- 1. You're Growing Fast** – If your revenue is scaling, the tax implications of your current entity may be holding you back.
- 2. You're Paying Yourself a Salary** – As an owner, if you're taking regular payments, you may benefit from S-Corp status to reduce self-employment tax.
- 3. You Want to Attract Investors** – Certain structures are more appealing to outside investors and lenders.
- 4. You're Ready to Treat Your Business as an Investment** – This is about more than filing paperwork. It's about aligning your business structure with your long-term vision.

The Accountant vs. The Advisor: Why It Matters

Most CPA firms will help you file taxes and maybe prepare your financials. That's reactive. That's just recording history.

We are not just a CPA firm—we are your Trusted Business Advisory Partner.

Where accountants stop, we begin:

- We **anticipate** challenges before they arise.
- We use financial data to **build your future**, not just explain your past.
- We ensure every business decision is aligned with a bigger strategy.

"Any CPA firm can record history. Our firm will help you build a future."

Future-Focused Business Planning

Changing your business structure isn't a checkbox item—it's a proactive strategy. With our advisory approach, we evaluate your current goals, projected growth, and tax positioning to ensure your structure works for you—not against you.

Example: Many small business owners remain sole proprietors far too long, paying excessive self-employment taxes and missing out on key benefits. A timely shift to an S-Corp could result in thousands in annual tax savings and open the door to more strategic planning tools.

Ready to Invest in Your Business Growth?

You shouldn't have to figure this out alone. Our advisory services go beyond the numbers—we help you treat your business like the investment it truly is.

Want this tailored to your business?

[Book a call now.](#)

Frequently Asked Questions

Q: Can I change my business structure mid-year?

A: Yes, in many cases, you can elect to change your structure mid-year, though timing may impact your tax obligations. Strategic planning is key.

Q: What are the costs involved in changing business structure?

A: Costs vary based on the complexity of your transition, state filing fees, and whether legal restructuring is required. However, the long-term savings can far outweigh the upfront costs.

Q: Will changing my structure trigger an IRS audit?

A: Not inherently. Proper documentation and timing help reduce any red flags. With proactive planning, transitions can be smooth and compliant.

Q: What's the most tax-efficient structure for small businesses?

A: It depends on your revenue, goals, and how you pay yourself. LLCs with S-Corp elections are often beneficial for businesses earning over \$50K in profit, but that's just the start of the analysis.

Q: Is this something I can DIY, or should I hire help?

A: While it's possible to DIY, the stakes are high. One misstep can cost thousands. Working with a Trusted Business Advisory Partner ensures you get it right the first time.