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TAX PLANNING 2026–27

LLC tax advantages, *explained in one page*

An LLC is a state legal structure, not a tax status. You pick the tax status.

I

One owner (default)

Taxed like a sole proprietor. Schedule C on your Form 1040.

2+

Two or more owners

Taxed like a partnership. Form 1065 plus a K-1 for each owner.

S

Elect S corp

Form 2553 by Mar. 15, 2027 for a Jan. 1, 2027 start. Owner pay on payroll.

C

Elect corporation

Form 8832. The company pays its own income tax.

SAME TAX BY DEFAULT	IRS
Self-employment tax On 92.35% of net profit	15.3%
On $60,000 of profit With or without an LLC	≈$8,478
QBI deduction Sole props, partnerships, S corps	Up to 20%
LLC-level income tax Default LLC: profit passes to owners	None

NEW JERSEY & NEW YORK COSTS	PLAN FOR 2027
NJ LLC annual report Every year	$75
NJ partnership filing fee 3+ owners, NJ income; due Apr. 15	$150/owner
NY IT-204-LL filing fee By NY-source gross income; due Mar. 15	$25–$4,500
NYC unincorporated business tax Filing starts above $95,000 gross income	4%

Merchant
FINANCIAL ADVISORY

mfa-advisory.com · (347) 205-4468

General information, not tax advice. Facts checked Nov. 11, 2026.