

C corporation versus S corporation						
	C	S				
	Corporation	Corporation				
Net taxable income	100,000	100,000				
Pass through tax deduction rate	0%	20%				
Pass through deduction	-	20,000				
Taxable income after pass thorough deduction	100,000	80,000				
Corporate tax rate	21%	0%				
Corporate taxes	21,000	-				
Income taxable on personal return	79,000	80,000				
<i>Individual tax rates:</i>						
Tax on dividends	20%	0%				
Medicare surcharge on dividends	3.8%	0%				
Personal income tax	0%	37%				
	18,802	29,600				
Total federal taxes	39,802	29,600				
Effective federal tax rate	39.80%	29.60%				