Choosing a Business Entity for Dental Practice

Many dental practices choose to operate as an S-Corporation but as a general rule I recommend that new sole practioner dental practices operate as a sole proprietorship or as an LLC sole proprietorship when the following issues are present:

1. The practice has less than $300,000 of net income before the dentist's wage deductions and retirement plan contribution
2. The office is planning to purchase large amounts of equipment/furniture and fixtures that could be expensed under IRS regulations or
3. The dentist employs children under the age of 18 in the practice

If any of these three issues apply you would likely be paying more in taxes if you were an S-Corporation

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