## Week 1 Review

**True or False?** *Note: You may need other resources to answer these questions.*

1. A sole proprietor has unlimited personal liability for business debts/obligations.
2. A non-profit entity does not need to file tax returns.
3. A non-profit corporation must file a 501(c) to be tax free.
4. LLC’s must have more than one member.
5. Once you register as a sole proprietor, you cannot upgrade to an LLC.
6. A sole proprietor needs to file an operating agreement with the state.
7. An LLC owner reports profits/losses on his/her personal tax return.
8. If you have a food product, you should register as a sole proprietor.
9. It’s important to include as many details you can inside your elevator speech.
10. It is important not to practice your elevator speech too much--you want it to sound natural.
11. Your personal expenses and your business expenses can be mingled—after all, it’s your business.
12. A dba is required if you do not use your full name as your business name.
13. You are required to pay a Portland business tax if your business makes more than $20,000.
14. Self-employment taxes are about 13% of net earnings.
15. If you are not required to pay a city or county business tax, you do not need to file each year.
16. If you operate in the City of Portland, you do not need to pay the Multnomah County Business Tax as well.
17. A sole proprietor does not need an EIN number.
18. If your business is an online business, with customers in many states, you do not need to file for a ‘foreign qualification’.

**The best choice for a legal entity for my business is:**

* Sole Proprietor
* LLC
* Corporation
* S-Corporation
* Non Profit

**Reasons:**

**The licenses I will need include:**

***Cont. on next page 🡪***

**Week 1 Review,** *cont.*

**5 facts important to include inside my elevator pitch are:**

**1.**

**2.**

**3.**

**4.**

**5.**