S-Corp vs LLC Tax Comparison Worksheet

Fillable Planning Worksheet — ClearLegalTips.com (2026)

INSTRUCTIONS FOR USE

Compare your likely tax as a default LLC vs after an S-corp election. Enter your numbers in the right column. The S-corp can save self-employment tax once profit is high enough to justify payroll costs — usually around $40,000+ in net profit. This is a planning tool, not tax advice.

A. Your Numbers

Expected net business profit this year: ____

[ ] I expect more than ~$40,000 in net profit

[ ] I am currently taxed as a default LLC / sole prop

B. Path 1 — Default LLC (Self-Employment Tax)

Line	How to figure it	Your Amount
Net profit	from above	$
Self-employment tax	≈15.3% (up to the Social Security wage cap)	$
Federal income tax	your bracket × taxable income	$
Total tax — Path 1	add the two taxes	$

C. Path 2 — S-Corp Election

Line	How to figure it	Your Amount
Reasonable salary	market rate for your role	$
Payroll tax on salary	≈15.3% × salary	$
Remaining profit as distribution	profit – salary (no SE tax)	$
Income tax	your bracket × taxable income	$
Payroll service (per year)	$300 – $1,200	$
Extra tax prep (Form 1120-S)	$300 – $800	$
Total cost — Path 2	taxes + admin	$

D. Result

Estimated annual savings (Path 1 – Path 2): ____

■ If savings are small or negative, the S-corp admin burden may not be worth it yet.

Notes

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