



Entity Formation Could Provide Small Business Owners With Stronger Personal Liability Protection and Potential Tax Savings

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Small business owners can get started in as little as 10 minutes with Block Advisors Business Formation

KANSAS CITY, Mo., April 03, 2023 (GLOBE NEWSWIRE) -- More than 5 million businesses were formed in the U.S. in 2022¹; a survey² recently conducted by [Block Advisors](#), a part of H&R Block (NYSE: HRB), revealed that small business owners believe forming an entity is important for several reasons, including limited liability protection. Why is this? Because in many cases, an LLC can reduce or even eliminate personal responsibility for certain business liabilities so that personal assets (such as a personal home and savings) can be more secure.

Forming an LLC and taking an S Corp election also offers the potential for future tax savings, which could mean more money in small business owners' pockets. ³ In addition, it gives business owners a well-deserved sense of accomplishment and formality.

"Forming a business entity can empower individuals to feel like they have a 'real' business instead of a hobby or side hustle," said Jamil Khan, Chief Strategy and Small Business Officer at H&R Block. "There is a level of pride associated with officially forming a small business."

Block Advisors Business Formation allows small business owners to start in minutes and form their businesses with confidence. The new online [business formation product](#) launched last fall by Block Advisors streamlines the complicated process of registering a business entity. Choosing an entity structure can be intimidating; Block Advisors provides small business owners with resources they can use to help them select the entity structure that works best for their situation.⁴

"We help make the business formation process simpler by allowing small business owners to follow self-service prompts on our website," said Khan. To learn more about Block Advisors Business Formation, including whether the benefits of business formation could apply to you, visit <https://www.blockadvisors.com/business-formation-incorporation-services/>.

Beyond business formation, Block Advisors is a trusted resource for small business owners for a variety of financial needs, including tax preparation, bookkeeping, and payroll services. Block Advisors serves millions of small businesses annually and costs up to 30% less⁵ for small business tax prep compared to a typical accountant – while ensuring business owners get every credit and deduction they deserve with our [Maximum Refund Guarantee](#).

To book an appointment with a Block Advisors small business certified tax pro online, go to <https://www.blockadvisors.com/> or visit the Block Advisors office nearest you.

¹ "Business Formation Statistics," United States Census Bureau, 2023, accessed March 21, 2023, [https://www.census.gov/econ/currentdata/dbsearch?programCode=BES&startYear=2022&endYear=2023&categories\[\]=TOTAL&dataType=BA_BA&geol_level=US&adjusted=1¬Adjusted=1&errorData=0](https://www.census.gov/econ/currentdata/dbsearch?programCode=BES&startYear=2022&endYear=2023&categories[]=TOTAL&dataType=BA_BA&geol_level=US&adjusted=1¬Adjusted=1&errorData=0)

²SMB Post Season Survey, June 2022 |N =205, HRB Sched C Assisted Non-Entity Clients who self-identify as Small Business Owners and/or Self-Employed

³Potential savings based on estimated tax savings of sole proprietor (Schedule C) users with over \$40,000 in profit in 2022 by forming an LLC+S Corp election and filing in 2023, net of salary payments and payroll taxes. Election must generally be made by the due date of the return for the year prior to the year the S Corp election is to take place. Savings requires payment of a reasonable salary. Other requirements and considerations apply, and additional fees like tax preparation and payroll services are not included. All tax situations are different and individual tax savings will vary based on your circumstances.

⁴We are not a law firm or attorneys and our advice, products, and services are not a substitute for those of an attorney or law firm. You may want to seek the advice of an attorney to evaluate the full implications of entity selection and formation. Block Advisors Business Formation provides automated online tools that you can use to help meet your business formation needs and are not tailored to your particular situation.

⁵Average savings based on national average fees for Federal Form 1040 plus Schedule C and one state filing in latest available 2020 survey conducted by the National Society of Accountants. All tax situations are different. Pricing will vary based on individual circumstances.

About H&R Block

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