



Oregon

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S Corporations Redux

Recently, the OBCE published a statement in the Oregon Backtalk Summer issue that chiropractors could not organize as "S Corporations." This should be disregarded.

The Subchapter S Corporation status is an IRS designation for taxation purposes (the individual shareholders pay the taxes instead of the corporate entity) and is not specifically recognized in Oregon corporation law.

Oregon chiropractors may organize their business entities as professional corporations, limited liability companies, partnerships, sole proprietors, etc. but not as domestic business corporations, as outlined in Oregon Administrative Rule 811-010-0120. This rule requires majority ownership by licensed Oregon chiropractic physicians in their chiropractic businesses or in the case of multidisciplinary clinics by licensed Oregon health care professionals.

Our information from taxation experts is that professional corporations (or LLCs etc.) in some cases may elect S Corporation tax status. For information regarding taxation requirements, we recommend you contact a taxation professional. We apologize for any confusion caused by our earlier statement.

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