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SENATOR LINDSAY: ...the partnership would have the most liability, and a sole proprietorship would have the most liability and that is partnership is...or the partners are liable for whatever the partnership does, whatever that partners does, and whatever that partner's partners do.

SENATOR CHAMBERS: Um-huh.

SENATOR LINDSAY: The corporation would be at the other end, and that would be the most limited of liability entities, and that is that the...if those two partners, instead of forming a partnership, form that corporation, then the corporation would be liable for their acts, for the ordinary course of business type debts, and the partners, because they've incorporated, would not be liable for their own acts of negligence, rather the only liability would be to the extent of assets which have been invested in the corporation.

SENATOR CHAMBERS: So what is the advantage of having the partnership instead of the corporation structure?

SENATOR LINDSAY: The advantage of having the partnership instead of corporation structure is primarily the tax treatment. There's also flexibility. A partnership agreement can divide up profits and can have the same amount of control but a different division of profits and losses. It allows a lot more flexibility than would a corporation, and it's much simpler in the sense of not as many reporting requirements, filing requirements. You don't have to go to your attorney and have the minutes of the corporate meetings and hold those monthly board meetings, and so it's much less structured than a corporation would be.

SENATOR CHAMBERS: And the purpose of this bill is to take away some of the liability that limited partners would have under the current law.

SENATOR LINDSAY: Right, it would insulate partners from...if you and I were in a law partnership,...

SENATOR CHAMBERS: God forbid. (Laughter.)

SENATOR LINDSAY: ...I don't want to be liable for your malpractice.