



STREAMLINED BUSINESS REINSTATEMENT AND DISSOLUTION PROGRAM

In its ongoing effort to improve government-to-business interactions, the Department of the Treasury is pleased to announce an innovative program designed to help businesses that have not complied with State administrative reporting requirements and are now in revoked status. These businesses may reinstate their legal authority to operate or end their operations without the extensive filing requirements and administrative fees associated with current reinstatement or dissolution/withdrawal procedures. Authorized by P.L. 2019, c. 149, the program will allow certain revoked businesses to fully reinstate or dissolve through a single online filing and payment. Under current law, revoked businesses entities seeking to reinstate or terminate their charters in an orderly fashion are required to follow multiple overlapping steps. Corporations are not required to obtain a tax clearance certificate.

The one-time program will run from March 1, 2020 through June 15, 2020. During this period, the Department's Division of Revenue and Enterprise Services will provide an online self-service reinstatement and dissolution service that eliminates the need for multiple filing forms, multiple fees and, in the case of corporations, applications for tax clearance. Under the program, the filer will be required to pay a one-time administrative fee of \$500 (plus a convenience or credit card processing fee), and attest that the business has satisfied any known State tax obligations. The Division will implement system features that help business representatives make accurate attestations.

The benefits of the program include:

- Fully automated filing process – no need for additional filing forms
- Process requires minimal information – no need to submit full annual report details to dissolve or reinstate
- Expedited processing – reinstatement or dissolution occurs within 1 business day
- Tax clearance *is not* required
- For dissolving entities, definitive closure of the business – no exposure to future compliance notices from the Department of the Treasury
- Cost – overall cost is lower for companies with significant outstanding back-year fees due

Prospectively, the Department will implement other key provisions of P.L. 2019, c. 149, which make structural improvements to the State's public business registry program. For example, the new law eliminates the reinstatement fee associated with late filing; establishes a grace period for waiver of the tax clearance requirement; establishes a uniform tax clearance procedure for for-profit entities following the grace period; and enables enhanced communications with businesses regarding compliance, due dates, and other matters related to their business status.

The bill also adjusted the annual report fee structure for legal business entities. The report fee for for-profit entities increased by \$25 (\$50 to \$75) and the non-profit fee increased by \$5 (\$25 to \$30) as of July 1, 2019.

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