

RESOLUTIONS FOR A COMPLIANT BUSINESS YEAR

The New Year is the traditional time for reevaluation: what worked last year and what needs improvement for the next. If your 2021 business plan includes changes that trigger a compliance action for your corporation or LLC, make these resolutions now to establish good habits for a happier, healthier compliance outlook.



Resolution: Review Business Licenses

- Are your licenses and permits current?
- Do you know what business actions trigger the need for an update or for a new license or permit?

Resolution: Review Registered Agent

- Are the state's records for your registered agent up to date?
- Can your current registered agent support you for the long term?
- If you are expanding into new states, have you chosen a registered agent who can serve your needs?

Resolution: File Annual Reports

- Have you filed your annual reports for 2020?
- If operating in more than one state, have you filed in each?
- Failure to file an annual report can lead to loss of good standing with the state.

Resolution: Check Good Standing Status

- Do you check your company's standing on a periodic basis?
- Are you incurring risk or losing the ability to secure new financing due to loss of good standing?

Resolution: Collect Online Sales Tax

- Are you selling products or services online?
- Do you know which states require you to charge, collect and remit sales tax from in-state sales?
- Did you get a sales tax license from every state where you are required to collect and remit the taxes?

Resolution: Secure Foreign Qualification

- Have you secured foreign qualification in each new state in which you started doing business?
- Are you risking fines or penalties for conducting business without authority to do so?

Resolution: Properly Dissolve or Withdraw Your Business

- If you went out of business, did you properly dissolve your corporation or LLC, or are you still on the public record and subject to penalties?
- In states where you stopped doing business, did you withdraw as a foreign company?
- Are you aware you're still required to file annual reports and taxes until you withdraw or dissolve?
- A delinquent or administratively dissolved or revoked status exposes a firm to business identity theft.

Resolution: Review Entity Structure

- If you changed the type of business entity, have the state or federal records that list your business as the former entity type been updated?
- Before making a change, consider the advantages and disadvantages of each of the entity types.

Resolution: File Amendments

- If you made changes this past year to the information in your Articles of Incorporation or Articles of Organization, you are required to file an amendment with the state of formation.
- Have changes to your application for Certificate of Authority in a foreign state been reflected with an amendment?

Thriving businesses are built on the habits that owners choose to engage in on a daily basis. Resolve today to audit your company's licensing status, annual report filings, registered agent choice and standing. Starting the year with these activities will help get your business in top shape for 2021. Make these habits part of your quarterly routines, and you're well on your way to a successful enterprise for years to come.

CT's expert service teams are here to help you get it all done and done right. Contact us at 855.316.8948 or visit wolterskluwer.com/en/solutions/ct-corporation/legal-solutions-small-business.