

Frequently Asked Questions

1. *What is a Tax Clearance?*
A tax clearance is a certificate stating that no tax is due. The certificate may be issued for all taxes or for a tax specified by the business.
2. *Why do I need a Tax Clearance?*
A tax clearance is required by the Secretary of State if a corporation's charter is administratively dissolved, if the corporation is filing Articles of Voluntary Dissolution, Withdrawal, Termination, or Merger. A tax clearance is also required for a financial closing or sale of a business.
3. *What does "nature of business" mean?*
"Nature of business" is a short description of the type of business activity(s) conducted by your corporation.
4. *What constitutes a corporation?*
A corporation is a business organized under Chapter 351 of the Missouri Statute.
5. *What constitutes a sole proprietorship?*
A sole proprietorship is a business owned by an individual person.
6. *What constitutes a partnership?*
A partnership is a business owned by two or more associates that agree to share the profit and loss.
7. *What constitutes a Limited Liability Company (LLC)?*
LLCs are defined under Section 347.187, RSMo. Contact the Secretary of State's office for information on how to register.
8. *What is my Missouri Tax Identification number (MITS)?*
The MITS number is the number assigned by the Missouri Department of Revenue at the time you register for the reporting of sales/use, withholding, corporation income and/or franchise tax.
9. *What is my Federal Employers Identification number (FEIN)?*
This number is issued by the Internal Revenue Service when you register to file federal taxes.
10. *What is my Missouri Unemployment Insurance Compensation Tax number?*
The Missouri Unemployment Insurance Compensation Number is the number assigned by the Division of Employment Security for purposes of filing your Wage and Contribution Report.
11. *What is my Corporation Charter Number?*
The corporation charter number is issued by the Secretary of State's office when a Missouri corporation files articles of incorporation or an out-of-state corporation obtains a certificate of authority. The charter number is preprinted on the Annual Registration Report next to the corporation's name.
12. *What is my date of incorporation/date of authority?*
This is the date printed on your articles of incorporation (if a Missouri corporation) or certificate of authority (if an out-of-state corporation) from the Secretary of State's office.
13. *If I have employees in Missouri, when do I have to withhold tax?*
Every employer who transacts business within this state and is making payment of any wages to a resident or nonresident must withhold tax pursuant to Section 143.191, RSMo.
14. *Why do I have to file a franchise tax return for tax years beginning on/after January 1, 2000 if my assets are less than \$1,000,000?*
New legislation was passed effective January 1, 2000, requiring all corporations to file a return even if their Missouri assets are less than \$1,000,000.
15. *Why do I have to file the current year franchise tax return if it is not due?*
Before a corporation may voluntarily dissolve, terminate, merge, or withdraw, a final franchise tax return must be filed and all franchise taxes paid before tax clearance will be issued.
16. *Why do I have to file a Franchise tax return if I'm not a franchise?*
The franchise tax report is required to be filed by corporations registered for the privilege of doing business in Missouri. It is a tax based on the amount of assets a corporation has in or apportioned to the state of Missouri. It does not pertain to being a franchise.
17. *Are not-for-profit corporations subject to franchise tax?*
No, pursuant to Section 147.010, RSMo, not-for-profit corporations are not subject to franchise tax.
18. *Are fictitious names subject to franchise tax?*
No, only corporations are subject to franchise tax. A fictitious name is required for anyone who owns and operates a business with a name other than his or her own legal name.
19. *Are LLCs subject to franchise tax?*
No, the corporation franchise tax is imposed upon "every corporation organized under or subject to Chapter 351, RSMo." Therefore, LLCs which are organized under Chapter 347, RSMo, not under Chapter 351, RSMo, are not subject to franchise tax.
20. *What are the reasons a corporation is dissolved?*
A corporation can be dissolved for failure to file the Annual Report, failure to file and/or pay Franchise tax, failure to maintain a Registered Agent, and practicing fraud against the state (bad check).
21. *Can I do business in Missouri if I'm dissolved?*
No, you should contact the Secretary of State's office to obtain information regarding reinstatement.
22. *What are the consequences of being administratively dissolved versus voluntarily dissolved?*
If you voluntarily dissolve it shows that the dissolution was done by the corporation. If you are administratively dissolved the Secretary of State's office has dissolved you for some failure to comply. An administratively dissolved corporation can cause a problem if the corporation wants to bid a job in the state, tries to get a loan, or do a type of financial closing through a bank.
23. *Does the tax clearance serve as a reinstatement, termination, merger, voluntary dissolution, or withdrawal?*
No, the clearance letter only states that there are no delinquencies in regards to state taxes for which the corporation is liable. You must submit the proper application to the Missouri Secretary of State's office.
24. *Does the request have to be signed by an officer?*
Yes, an officer must sign the request.
25. *Does the Tax Clearance form need to be notarized ?*
No, the Tax Clearance form does not need to be notarized.
26. *What is the purpose of the Authorization box?*
The authorization box is used to authorize the department to disclose to someone other than an officer confidential information regarding the taxpayer's account.
27. *Can I fax the tax clearance request form or do you need the original?*
The department will accept a faxed request for tax clearance. The department's fax number is printed on the tax clearance form. It is not necessary to mail the original if you send a faxed request.
28. *Can I send my Secretary of State application with my tax clearance request form?*
No, the clearance letter must be attached to the application and sent to the Missouri Secretary of State's office.
29. *Will the Secretary of State's office accept a faxed copy of the Tax Clearance?*
Yes.
30. *Where do I mail the request form?*
Mail the form to the following address:
Missouri Department of Revenue
Tax Clearance Unit
301 W. High Street, PO Box 3666
Jefferson City, MO 65105-3666
31. *Who should I call if I have questions about a tax clearance?*
Call (573) 751-9268 if you have questions about a tax clearance.
32. *Who should I call if I have questions about reinstatement?*
Call the Secretary of State's office at (573) 751-4178 if you have questions about reinstatement.