



FTB Publication 1038



Guide to Dissolve, Surrender, or Cancel a California Business Entity

What's New

Effective September 29, 2006, a tax clearance certificate is no longer required for corporations, limited liability companies (LLC), limited liability partnerships (LLP), limited partnerships, certain exempt organizations, and nonprofit corporations who are going to dissolve, surrender, or cancel their California business entity. Entities may be able to avoid the minimum franchise or annual tax for current and subsequent taxable years if **all of the following requirements are met:**

- File your final franchise or annual tax return timely, including extension, for the preceding taxable year.
- Conduct no business after the last day of the preceding taxable year.
- File the appropriate documents with the California Secretary of State within 12 months of the filing date of your final tax return.

Suspended or Forfeited Corporations

The California Secretary of State cannot accept termination documents if the corporation is suspended or forfeited with the Franchise Tax Board. These entities must complete **all of the following before** they submit their termination documents to the California Secretary of State:

- Pay all outstanding balances due.
- File any delinquent returns.
- File the Application for Certificate of Revivor with the Franchise Tax Board.

Reviving to dissolve or surrender a corporation does not qualify for a walk through revivor process. Please allow 2 – 4 weeks to process the corporation revivor request **after** the Franchise Tax Board receives the missing returns/payments.

Telephone assistance is available by calling the Franchise Tax Board at (800) 852-5711.

Domestic Public Benefit, Religious, and Mutual Benefit Corporations

All domestic public benefit, religious, and mutual benefit corporations holding charitable assets in trust **must obtain** a Dissolution Waiver from the California Attorney General in order to complete their dissolution. Please refer to the Attorney General's publication *General Guide for Dissolving a California Nonprofit Corporation (CT-603)* at www.ag.ca.gov. The Dissolution Waiver **must be filed** with the California Secretary of State along with the other required documents.

How to Dissolve, Surrender, or Cancel Your Business Entity

The California Secretary of State Website at www.ss.ca.gov has in-depth information about the requirements for:

- Dissolving a domestic stock corporation (including the *Short Form Certificate of Dissolution*) or a domestic taxable nonprofit corporation or a domestic tax-exempt corporation.
- Surrendering a qualified foreign corporation or a foreign tax-exempt corporation.
- Canceling a limited liability company (including the *Short Form Certificate of Cancellation*) or a limited liability partnership.
- Canceling a registered limited partnership.

To dissolve, surrender, or cancel your entity you must do all of the following:

1. File your final return with the Franchise Tax Board.
2. File the appropriate dissolution, surrender, or cancellation documents with the California Secretary of State within 12 months of the filing date of your final tax return.

To get specific requirements, instructions and forms, visit the California Secretary of State Website at www.ss.ca.gov or call (916) 657-5448.

- **Domestic stock corporations** must file one or more of the following forms:
 1. *Certificate of Election to Wind Up and Dissolve* (SOS Form ELEC STK).
 2. *Certificate of Dissolution* (SOS Form DISS STK).
 3. *Short Form Certificate of Dissolution* (SOS Form DSF STK). Specific requirements must be met to file this form.
- **Qualified foreign and qualified foreign tax-exempt corporations** must file a *Certificate of Surrender of Right to Transact Intrastate Business* form.
- **Domestic limited liability companies organized in California** must file one or more of the following forms:
 1. *Certificate of Dissolution* (SOS Form LLC-3).
 2. *Certificate of Cancellation* (SOS Form LLC-4/7).
 3. *Short Form Certificate of Cancellation* (SOS Form LLC-4/8). Specific requirements must be met to file this form.

- **Foreign limited liability companies** must file a Limited Liability Company *Certificate of Cancellation* (SOS Form LLC-4/7). Please note that a foreign limited liability company is not eligible to file the *Short Form Certificate of Cancellation* (SOS Form LLC-4/8).
- **Domestic and foreign limited liability partnerships** must file a Limited Liability Partnership *Notice of Change of Status* (SOS Form LLP-4).
- **Domestic and foreign registered limited partnerships** must file one or both of the following forms:
 1. *Certificate of Cancellation* (SOS Form LP-4/7).
 2. *Certificate of Dissolution* (SOS Form LP-3).
- **Domestic taxable nonprofit corporations and domestic tax-exempt corporations** must file one or more of the following forms:
 1. *Certificate of Election to Wind Up and Dissolve* (SOS Form ELEC NP).
 2. *Certificate of Dissolution* (SOS Form DISS NP).
 3. A Dissolution Waiver obtained from the Attorney General's Office. Information regarding the letter/ approval from the Attorney General can be obtained by calling (916) 445-2021 or can be downloaded from www.ag.ca.gov.
- **Non-qualified tax-exempt organizations:**
If your tax-exempt organization is not incorporated or qualified in California, the California Secretary of State does not require any action to dissolve or surrender. The organization **must** file a final return with the Franchise Tax Board to terminate the organization's existence.

Note: All tax returns remain subject to audit until expiration of the normal statute of limitations.

Mail the completed dissolution, surrender, or cancellation documents to:

CALIFORNIA SECRETARY OF STATE
DOCUMENT FILING SUPPORT UNIT –
BUSINESS FILINGS
1500 11TH STREET 3RD FLOOR
SACRAMENTO CA 95814-5701

To get additional assistance with filing your termination documents, contact the California Secretary of State at (916) 657-5448 or visit their Website at www.ss.ca.gov.

TELEPHONE AND INTERNET ASSISTANCE

From within the United States, call (800) 852-5711
From outside the United States, call
(not toll-free) (916) 845-6500
Website. www.ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

Asistencia

Dentro de los Estados Unidos, llame al . . . (800) 852-5711
Fuera de los Estados Unidos, llame al
(cargos aplican) (916) 845-6500
Sitio en el Internet: www.ftb.ca.gov

Asistencia para personas discapacitadas:

Nosotros estamos en conformidad con el Acta de Americanos Discapacitados. Personas con problemas auditivos pueden llamar al TTY/TDD (800) 822-6268.