

Topic: Dissolution Fees  
 Question by: Seth C. Klaskin  
 Jurisdiction: Connecticut  
 Date: May 20, 2013

Jurisdiction	Question(s)
	The question is simple: how many states charge a fee for filing a “dissolution” filing (including all other terminating filings), and how many do not? If anybody knows the general rule answer regarding what “most” states do, feel free to shout it out.
<b>Manitoba</b>	in Manitoba we charge a fee (only \$30), and I don't think it discourages compliance.
<b>Corporations Canada</b>	
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	In Arizona, corporations pay a \$25 fee to dissolve or to withdraw (foreigns withdraw). LLCs pay \$35 to terminate.
<b>Arkansas</b>	
<b>California</b>	California does not charge a fee for filing dissolutions
<b>Colorado</b>	The filing fee to dissolve or withdraw a Colorado entity is \$25. The filing fee for a foreign entity to withdraw is \$125. All of these documents must be filed online.  If an entity chooses to not file these documents or the periodic report, the entity goes into a delinquent status.
<b>Connecticut</b>	
<b>Delaware</b>	In Delaware the fee for filing a short form dissolution is \$10; any company which has paid the minimum franchise tax since their incorporation is eligible for this type of dissolution. For those corporations paying more than minimum franchise taxes the filing fee is \$160.
<b>District of Columbia</b>	In DC dissolution fee for business entities is \$220 and for nonprofits is \$80.  These are the fees for voluntarily dissolution. We involuntarily dissolve a lot of entities with no fee for non compliance (mainly for failure to file report or maintain the registered agent).
<b>Florida</b>	
<b>Georgia</b>	

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<b>Hawaii</b>	In Hawaii we do charge a filing fee for dissolutions of different business entity types.
<b>Idaho</b>	
<b>Illinois</b>	We charge a nominal fee of \$5 to voluntarily dissolve a corporation.
<b>Indiana</b>	Indiana is \$30 for most of the voluntary “dissolution” type filings. We do get complaints from companies who are going out of business that the fee is too high. Some people choose to wait on the administrative dissolution, however, this can create tax issues.
<b>Iowa</b>	
<b>Kansas</b>	In Kansas the fee to dissolve a for-profit business entity is \$35 and a nonprofit is \$20.
<b>Kentucky</b>	
<b>Louisiana</b>	In Louisiana the fee to file a dissolution on a domestic entity is \$60 and on a LLC \$75.
<b>Maine</b>	
<b>Maryland</b>	
<b>Massachusetts</b>	<p>Massachusetts does charge for dissolution, cancellation and withdrawal fees. The fee associated with each of these transactions is \$100.00.</p> <p>For those that may struggle with filing fees most entities formed or registered in MA may be involuntarily dissolved or revoked by this office for failure to file two or more consecutive annual reports. So if someone is unable to pay, they may leave the entity until such time as we initiate a dissolution/revocation project and dissolve/revoke the entity.</p>
<b>Michigan</b>	In Michigan there is a \$10 fee to file a Certificate of Dissolution.
<b>Minnesota</b>	
<b>Mississippi</b>	Mississippi charges \$25 - \$50 based on entity type. No tax clearance is required.
<b>Missouri</b>	
<b>Montana</b>	<p>Montana charges a nominal \$15.00 fee for dissolutions/termination/withdrawals. It is basically a processing fee to cover the cost of having the compliance tech handle the document as we are a cost recovery agency.</p> <p>For some, we also require a tax clearance certificate from the Department of Revenue.</p>
<b>Nebraska</b>	
<b>Nevada</b>	

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<b>New Hampshire</b>	New Hampshire has a \$35.00 fee for most entities, however there is no fee for nonprofits.
<b>New Jersey</b>	
<b>New Mexico</b>	
<b>New York</b>	
<b>North Carolina</b>	North Carolina does charge a \$30 fee for destruction documents.
<b>North Dakota</b>	<p>North Dakota charges a fee of \$20 to file articles of dissolution.</p> <p>We at one time contemplated eliminating the dissolution fee. We felt it safer to retain the fee to discourage improper dissolutions, especially as we move in the direction of online filings. We didn't want people dissolving the organizations of their competitors.</p>
<b>Ohio</b>	The fee to file a Dissolution in Ohio is \$50.
<b>Oklahoma</b>	<p>Oklahoma charges the following dissolution fees:</p> <p>Domestic For-Profit Corporations, LLC's, LP's – \$50.00                      Foreign For-Profit and Non-Profit Corporations, LLC's, LP's - \$100.00                      Domestic Non-Profit Corporations - \$25.00</p>
<b>Oregon</b>	<p>As for Oregon, we charge what we charge to amend the entity: \$100 for domestic profits, \$275 for foreign profits, and \$50 for nonprofits of both types. As others have noted, there are definite advantages to formally and clearly ending your organization, including the "winding up affairs" provision, as well as tax and liability considerations. In Oregon, when people are really loath to file the voluntary dissolution because they have no money and no assets, they usually just let us dissolve it administratively. We also have the discretion to waive all or part of the fee.</p> <p>I'm not sure how the fee affects filing; I would assume it suppresses it. Clara's right about it dissuading malicious dissolutions. I do remember from back in my filing officer days that people often had to reinstate an administratively dissolved filing so they could close things out, pay taxes, maintain standing in court, etc. There's a reason most attorneys advise clients to draw a bright line by dissolution (if that's not too mixed a metaphor).</p>
<b>Pennsylvania</b>	Pennsylvania charges \$70 for a dissolution/cancellation/termination. We also require clearance certificates from the Departments of Revenue and Labor and Industry.

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<b>Rhode Island</b>	Rhode Island requires a filing fee for dissolutions/withdrawals ranging from \$75 - \$10 depending on entity type. Business Corporations and limited liability companies are also required to remit a letter of good standing from the Division of Taxation.
<b>South Carolina</b>	
<b>South Dakota</b>	
<b>Tennessee</b>	
<b>Texas</b>	Texas charges a fee--\$40. I expect that most entities do file the voluntary termination documents to avoid the necessity of filing additional franchise tax returns and running the risk of an involuntary forfeiture for tax reasons.
<b>Utah</b>	Utah does not charge a fee for voluntary dissolution
<b>Vermont</b>	
<b>Virginia</b>	In Virginia, the fee to file a document to voluntarily exit is \$10 or \$25, depending on entity type.  However, our Code provides for automatic termination or cancellation if the entity fails to pay its annual registration fee within 3 or 4 months after the due date. (For most states, this probably equates to a failure to file an annual report.) There is no tax clearance issue associated with this process. I suspect this is how most out-of-business entities exit.
<b>Washington</b>	There is no fee for dissolution or withdrawal filings of legal entities. However, some entity types require a revenue clearance from the Department of Revenue showing they have no outstanding tax debt. If required, it must be included with the free dissolution or withdrawal.
<b>West Virginia</b>	
<b>Wisconsin</b>	In Wisconsin, we charge the following fees for dissolutions:  \$20.00 (plus any delinquent fees) to dissolve business corporations and LLCs \$10.00 ( plus any delinquent fees) to dissolve nonstock corporations \$40.00 to withdraw foreign corporations, LLCs and limited liability partnerships \$10.00 for certificate of cancellation for domestic limited partnership \$15.00 for certificate of cancellation for foreign limited partnership
<b>Wyoming</b>	

**Additional comments:**

**NOVIA SCOTIA:**

Feeling a bit pricey in Nova Scotia at \$133.05 for filing documents to surrender a company's Certificate... While this may impact the dissolution decision for some, I expect the greater deterrence to timely dissolution in this province may be the legislative requirement for publication respecting the company's intent to dissolve in a local newspaper (at a cost) within a certain time period preceding the dissolution, and for affidavits respecting this and other matters including confirmation that all assets have been disposed of and all debts and liabilities have been extinguished or otherwise provided for. Most often such dissolution documentation is prepared by a law firm, the fees for which would vary, but are no doubt greater than our filing fee.

**Full text of email:**

Hi Everybody,

What a great conference in Boston last week! It was nice seeing faces I've known and putting new faces with the names from this here Listserve!

I have a quick question in connection with a bill we have pending in the General Assembly. The purpose of the bill is to repeal our dissolution/cancellation/withdrawal/etc (terminating event) fees as a means of encouraging more entities to actually comply with their "dissolution" filing requirement upon terminating. The feeling is that some entities may know about the fee but feel it is an unseemly tax imposed upon them as they are going out of business. In other words, it feels a bit like getting kicked in the teeth when you're already down as you pony up the money for this fee. If they had the money, they wouldn't be going out of business to begin with, right?

Now, I realize there are many other circumstances that lead to a termination filing that are less drastic and different in kind from going out of business, but the thought is that repealing the statutory fee will encourage compliance and therefore cull zombie entities from our public record over time.

So, after much fanfare, the question is simple: how many states charge a fee for filing a "dissolution" filing (including all other terminating filings), and how many do not? If anybody knows the general rule answer regarding what "most" states do, feel free to shout it out.

Thanks, everyone!

-Seth

Seth C. Klaskin, Esq., Director  
Commercial Recording Division

Connecticut Secretary of the State  
30 Trinity Street  
P.O. Box 150470  
Hartford, CT 06115-0470  
Phone: (860)509-6059  
Fax : (860)509-6068  
seth.klaskin@ct.gov