

Topic: Prepay or Automatic Payment Practices

Question by: Robert Lindsey

Jurisdiction: Virginia

Date: May 18, 2020

Jurisdiction	Question(s)	
	<p>Question 1</p> <ul style="list-style-type: none"> * Does your jurisdiction allow business entities to prepay for annual fees? * If Yes how many entities opted to prepay? * How many years can they prepay? * If entities have the option to prepay for several years can you provide a breakdown of how many entities chose to prepay, for example 1, 2, 3, 4 or 5 years? * What is the percentages of business entities by entity type that chose the option to prepay? * Does your office administer the prepayments or are they administered by another agency (e.g., the State Treasurer)? 	<p>Question 2</p> <ul style="list-style-type: none"> * Does your jurisdiction allow business entities to sign up for automatic payments for annual fees (e.g., automatically take money from a credit card on file and or an ACH account)? * If Yes how many entities opted for annual automatic payments? * How many entities chose the annual automatic payment option? * What is the percentage of business entities by entity type that chose annual automatic payments? * Does your office administer the annual automatic payments or are they administered by another agency (e.g., the State Treasurer)?
Manitoba		
Corporations Canada		
Alabama		
Alaska		
Arizona		
Arkansas		
California	California Business Entities is the same as Louisiana. Online customers pay be credit card for each submission.	
Colorado		
Connecticut		
Delaware		

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District of Columbia	<p>DC is the same and MN - no prepayments or automatic payments are allowed.</p> <p>Payment is due at the time of filing or document request.</p>	
Florida		
Georgia		
Hawaii		
Idaho		
Illinois		
Indiana		
Iowa	<p>Iowa does not allow for prepayment or automatic withdrawals for filings of any sort.</p>	
Kansas		
Kentucky		
Louisiana	<p>Louisiana does not allow for prepayment or automatic withdrawals. Fees are paid when the filer submits the filing to our office.</p>	
Maine		

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Maryland	<p>Our Department does not allow business entities to prepay any fees, although I know some other state agencies allow businesses to maintain a balance (ie. the Department of Labor's Unemployment Insurance Division). I suppose an exception for our Department would be quarterly estimated franchise taxes that about 200 public utilities are required to pay. We do let those overpayments roll over automatically since they are estimated, but will send those overpayments back upon request.</p>	<p>Our Department does not allow businesses to sign up for automatic payments, but that's an interesting idea. One issue is that they would still have to file an Annual Report even if payments were automated.</p>
Massachusetts	<p>Massachusetts does not allow for prepayment or automatic withdrawals. Fees are paid when the filer submits the filing to our office.</p>	
Michigan		
Minnesota	<p>Minnesota does not accept prepayments or auto payments. For specific business types that has an annual renewal fee, payment is required at the time when submitting the annual renewal.</p>	
Mississippi		
Missouri		

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Montana	<p>In Montana we did away with prepayment accounts about 10 years ago, which in turn freed up our fiscal staff to devote more time to other duties.</p> <p>We are a small state with around 170k Corps and LLCs which are required to file annual reports. We found that doing away with prepaid accounts was an excellent choice, especially when we moved to online filings with a debit/credit card.</p>	<p>A few entities wanted us to bring back prepaid accounts, however we pushed back because of the costs associated with having to maintain those accounts, send out statements, etc. It truly was a good thing we never went back to those, as that used to take about 1.5 - 2 full-time folks to administer those accounts.</p> <p>In our new system, the user's payment info is saved per their username (not in our system, but the 3rd party payment processor) so no need for one user who, let's say is a registered agent, are filing multiple annual reports with our office, they can click a 'radio' button that displays limited characters of their debit/credit card info that they had entered in the past.</p>
Nebraska		
Nevada	<p>Nevada does not accept prepayments or auto payments. Annual renewals are paid no more than 90 days in advance.</p>	
New Hampshire	<p>NH is the same as Nevada.</p>	
New Jersey		
New Mexico		
New York		

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<p>North Carolina</p>	<p>North Carolina does not allow for prepayment for annual fees or any type of filing. However, we have provided a means for the filer to track transactions by creating an e-account and linking their ACH account information.</p> <p>We do not have credit card information online due to PCI compliance issues.</p> <p>An email is sent to each filer when the file is sent to the bank that lists the transactions they were charged for.</p> <p>This process is used for Business Registration, Charitable Solicitation Licensing, Lobbyist, Notary and UCC Division online services. Therefore, documents presented over the counter must accompany payment.</p>	
<p>North Dakota</p>		
<p>Ohio</p>		
<p>Oklahoma</p>		
<p>Oregon</p>		
<p>Pennsylvania</p>		
<p>Rhode Island</p>		

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South Carolina		
South Dakota		
Tennessee		
Texas		
Utah		
Vermont		
Virginia		
Washington		
West Virginia		
Wisconsin		
Wyoming		

Additional comments:

Full text of email:

Good afternoon!!

We are researching the concept of prepayment and/or automatic payment practices for annual registrations fees. (This can include any annual fee associated to business entities)

- * Does your jurisdiction allow business entities to prepay for annual fees?
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Any statute or rules that apply for your jurisdiction to offer and perform the aforementioned would be helpful as well.

I know I have asked a lot of questions so I will go ahead and thank you in advance for providing answers for your jurisdiction!

Thank you and please stay safe!!

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