



FTB Publication 1038



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

General Information

Effective September 29, 2006, a tax clearance certificate is no longer required for the following entity types who intend to dissolve, surrender, or cancel their California business entity:

- Corporations
- Limited liability companies (LLCs)
- Limited liability partnerships (LLPs)
- Limited partnerships (LPs)
- Certain exempt organizations
- Nonprofit corporations

Your entity may avoid the minimum franchise or annual tax for current and subsequent taxable years **if you meet all of the following requirements:**

- Timely file your final franchise or annual tax return, 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 (SOS) within 12 months of the filing date of your final tax return.

All tax returns remain subject to audit until expiration of the normal statute of limitations. For **suspended or forfeited corporations**, see SIDE 2.

Forms to File with the California Secretary of State (SOS)

Domestic Stock Corporations – File one or more of the following forms:

- *Certificate of Election to Wind Up and Dissolve* (Form ELEC STK).
- *Certificate of Dissolution* (Form DISS STK).
- *Short Form Certificate of Dissolution* (Form DSF STK). You must meet specific requirements to file this form. Go to sos.ca.gov or call 916.657.5448 for more information.

Qualified Foreign and Qualified Foreign Tax-Exempt Corporations – File a *Certificate of Surrender of Right to Transact Intrastate Business*.

Domestic Limited Liability Companies Organized in California – File one or more of the following forms:

- *Certificate of Dissolution* (LLC-3).
- *Certificate of Cancellation* (LLC-4/7).
- *Short Form Certificate of Cancellation* (LLC- 4/8). You must meet specific requirements to file this form. Go to sos.ca.gov or call 916.657.5448 for more information.

Foreign Limited Liability Companies – File a *Limited Liability Company Certificate of Cancellation* (LLC – 4/7). A foreign limited liability company is **not eligible** to file the *Short Form Certificate of Cancellation*.

Domestic and Foreign Limited Liability Partnerships – File a *Limited Liability Partnership Notice of Change of Status* (LLP-4).

Domestic and Foreign Registered Limited Liability Partnerships – File a *Limited Liability Partnership Notice of Change of Status* (LLP-4).

Domestic Taxable Nonprofit Corporations and Domestic Tax-Exempt Corporations – File one or more of the following forms:

- *Certificate of Election to Wind Up and Dissolve* (Form ELEC NP).
- *Certificate of Dissolution* (Form DISS NP).
- A *Dissolution Waiver* obtained from the California Office of the Attorney General. For information regarding the letter or approval, call 916.445.2021.

Nonqualified Tax-Exempt Organizations – If your tax-exempt organization is not incorporated or qualified in California, SOS does not require any action to dissolve or surrender. However, the organization **must** file a final tax return with the Franchise Tax Board (FTB).

Suspended or Forfeited Corporations

SOS cannot accept termination documents if FTB suspended or forfeited the corporation. You must complete all of the following requirements before you submit your termination documents to SOS:

- Pay all outstanding balances due.
- File any delinquent tax returns.
- File FTB 3557 BC, *Application for Certificate of Revivor*, (Banks and Corporations), FTB 3557 LLC, *Application for Certificate of Revivor*, (LLCs), or FTB 3557 E, *Application for Certificate of Revivor*, (Tax-Exempt Corporations).

For more information regarding the revivor walk-through process, go to ftb.ca.gov or call 800.852.5711.

Domestic Public Benefit, Religious, and Mutual Benefit Corporations

All domestic public benefit, religious, and mutual benefit corporations holding charitable assets in a trust **must obtain** a *Dissolution Waiver* from the California Office of the Attorney General in order to complete their dissolution. Refer to the California Office of the Attorney General's publication, *General Guide for Dissolving a California Nonprofit Corporation* at ag.ca.gov for more information. The *Dissolution Waiver* **must be filed** with SOS along with the other required documents.

Domestic or Foreign Nonprofit Tax-Exempt Corporations Final Tax Return Filing Requirements

The law requires tax-exempt corporations to file a final tax return. File a Form 199, *California Exempt Organization Annual Information Return*, FTB 199N, *Annual Electronic Filing Requirement for Small Exempt Organizations* (California e-Postcard), **or** Form 109, *Exempt Organization Business Income Tax Return*, whichever is appropriate. File the appropriate dissolution, surrender, or cancellation documents with SOS within 12 months of the filing date of your final tax return. Tax-exempt churches are not required to file a final return.

FTB offers telephone assistance for tax-exempt corporations. Call FTB's Exempt Organizations Unit at 916.845.4171, 7 a.m. to 4:30 p.m. weekdays, except state holidays.

Forms and Publications

Get FTB forms and publications at ftb.ca.gov or SOS forms at sos.ca.gov. To get California Office of the Attorney General forms, call 916.445.2021.

Internet and Telephone Assistance

Website: ftb.ca.gov

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

Asistencia Por Internet y Teléfono

Sitio web: ftb.ca.gov

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas y del habla