

--News Alert--

February, 2020 -- If your business entity is registered with the Secretary of State, there have been some changes in the existing laws affecting businesses in Connecticut for 2020 that you should be aware of.

Business Entity Tax

Effective January 1, 2020, Connecticut has extinguished the Business Entity Tax – the \$250 biannual tax payment owed to the Department of Revenue Services. This tax applied to partnerships, limited liability partnerships, S-corporations, and limited liability companies registered with the Secretary of State's office.

Default for Failing to File Annual Report

Under Connecticut law, a business entity is required to file an Annual Report with the Secretary of State. The Secretary of State can administratively dissolve a business for failing to file their annual report. Prior to 2020, the Secretary of State was required to initiate such proceeding by mailing a notice of default to the entity by registered or certified mail. The cost to mail such a notice was high, resulting in a small number of entities being dissolved. However, effective January 1, 2020, the law has been changed such that the Secretary of State is allowed to send such notice by regular, first class mail. It is important to make sure your company is up to date with its annual report filings. These are done directly online through the Secretary of State's website.

Change in Cost to File Annual Report

Effective July 1, 2020, the cost to file an Annual Report for a limited liability company, limited partnership, and limited liability partnership is increasing from \$20 to \$80. To take advantage of the \$20 fee for filing past due Annual Reports, you should file them prior to July 1, 2020.