Senator Curtis S. Bramble proposes the following substitute bill:

CORPORATE DISSOLUTION AMENDMENTS
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Curtis S. Bramble
House Sponsor: A. Cory Maloy
LONG TITLE
General Description:
This bill amends provisions related to the administrative dissolution of a business
entity.
Highlighted Provisions:
This bill:
 allows certain administratively dissolved business entities to apply for reinstatement
under the business entity's original name, if the name is available;
 provides that an administratively dissolved business entity retains the business
entity's name for five years after dissolution;
 applies the reinstatement process retroactively;
 requires that a corporation or a pass-through entity report the following on the
corporation's or pass-through entity's tax return:
 whether the entity has filed a current annual report with the Division of
Corporations; and
 the entity's commerce entity number; and
makes technical and conforming changes.
Money Appropriated in this Bill:
None



26	Other Special Clauses:
27	None
28	Utah Code Sections Affected:
29	AMENDS:
30	16-6a-1412, as last amended by Laws of Utah 2023, Chapter 191
31	16-10a-1422, as last amended by Laws of Utah 2023, Chapter 191
32	16-16-1212, as last amended by Laws of Utah 2010, Chapter 378
33	48-1d-1103, as enacted by Laws of Utah 2013, Chapter 412
34	48-2e-811, as enacted by Laws of Utah 2013, Chapter 412
35	48-3a-709, as enacted by Laws of Utah 2013, Chapter 412
36	59-7-505, as last amended by Laws of Utah 2021, Chapter 367
37	59-10-1403, as last amended by Laws of Utah 2023, Chapter 470
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39	Be it enacted by the Legislature of the state of Utah:
40	Section 1. Section 16-6a-1412 is amended to read:
41	16-6a-1412. Reinstatement following administrative dissolution Reinstatement
42	after voluntary dissolution.
43	(1) A nonprofit corporation administratively dissolved under Section 16-6a-1411 may
44	apply to the division for reinstatement [within two years] under the nonprofit corporation's
45	same name at any time after the effective date of dissolution [by delivering] if the nonprofit
46	corporation's name is available and the nonprofit corporation delivers to the division for filing
47	an application for reinstatement that:
48	(a) states:
49	(i) the effective date of the nonprofit corporation's administrative dissolution and the
50	nonprofit corporation's corporate name on the effective date of dissolution;
51	(ii) that the ground or grounds for dissolution:
52	(A) did not exist; or
53	(B) have been eliminated;
54	(iii) the corporate name under which the nonprofit corporation is being reinstated;
55	(iv) the corporate name that satisfies the requirements of Section 16-6a-401;
56	(v) that the nonprofit corporation has paid all fees or penalties imposed under this

57	chapter or other applicable state law;
58	(vi) that the nonprofit corporation:
59	(A) has paid any taxes, fees, or penalties owed to the State Tax Commission; or
60	(B) is current on a payment plan with the State Tax Commission for any taxes, fees, or
61	penalties owed to the State Tax Commission;
62	(vii) the address of the nonprofit corporation's registered office;
63	(viii) the name of the nonprofit corporation's registered agent at the office stated in
64	[Subsection (1)(f);] Subsection (1)(a)(vii);
65	(ix) the federal employer identification number of the nonprofit corporation; and
66	(x) any additional information the division determines is necessary or appropriate; and
67	(b)
68	includes the written consent to appointment by the designated registered agent.
69	(2) A nonprofit corporation administratively dissolved under Section 16-6a-1411 on or
70	after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the nonprofit
71	corporation's same corporate name if the nonprofit corporation's name is available and the
72	nonprofit corporation delivers to the division for filing an application for reinstatement that
73	satisfies the requirements of Subsections (1)(a)(i), (1)(a)(iii) through (x), and (1)(b).
74	(3) A nonprofit corporation administratively dissolved under Section 16-6a-1411
75	retains the nonprofit corporation's corporate name and assumed name, as described in Section
76	42-2-6.6, for five years after the day on which the dissolution is effective.
77	$\left[\frac{(2)}{(4)}\right]$ (a) After receiving a nonprofit corporation's application for reinstatement, the
78	division shall:
79	(i) provide the State Tax Commission with the nonprofit corporation's federal employer
80	identification number; and
81	(ii) request that the State Tax Commission certify that the nonprofit corporation is in
82	good standing.
83	(b) The State Tax Commission shall certify that a nonprofit corporation is in good
84	standing if the nonprofit corporation:
85	(i) has paid all taxes, fees, and penalties the nonprofit corporation owed to the State
86	Tax Commission; or
87	(ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and

00	penalties the honprofit corporation owes to the State Tax Commission.
89	(c) If a nonprofit corporation is not in good standing as described in [Subsection (2)(b)]
90	Subsection (4)(b), the State Tax Commission shall:
91	(i) notify the division, stating that the nonprofit corporation is not in good standing;
92	and
93	(ii) notify the nonprofit corporation, explaining in detail why the nonprofit corporation
94	is not in good standing.
95	[(3)] (a) The division shall revoke the administrative dissolution if:
96	(i) the division determines that the application for reinstatement contains the
97	information required under [Subsection (1)] Subsection (1) or (2);
98	(ii) the division determines that the information in the application is correct; and
99	(iii) the State Tax Commission certifies that the nonprofit corporation is in good
100	standing as described in [Subsection (2)(b)] Subsection (4)(b).
101	(b) The division shall mail written notice of the revocation to the nonprofit corporation
102	in the manner provided in Subsection 16-6a-1411(5) stating the effective date of the
103	dissolution.
104	$\left[\frac{(4)}{(6)}\right]$ When the reinstatement is effective:
105	(a) the reinstatement relates back to and takes effect as of the effective date of the
106	administrative dissolution;
107	(b) the nonprofit corporation may carry on the nonprofit corporation's activities, under
108	the name [stated pursuant to Subsection (1)(a)(iii)] provided in the application for
109	reinstatement, as if the administrative dissolution had never occurred; and
110	(c) an act of the nonprofit corporation during the period of dissolution is effective and
111	enforceable as if the administrative dissolution had never occurred.
112	[(5)] (a) The division may make rules for the reinstatement of a nonprofit
113	corporation voluntarily dissolved.
114	(b) The rules made under [Subsection (5)(a)] Subsection (7)(a) shall be substantially
115	similar to the requirements of this section for reinstatement of a nonprofit corporation that is
116	administratively dissolved.
117	Section 2. Section 16-10a-1422 is amended to read:
118	16-10a-1422. Reinstatement following dissolution.

119	(1) A corporation dissolved under Section 16-10a-1403 or 16-10a-1421 may apply to
120	the division for reinstatement [within two years] under the corporation's same corporate name
121	at any time after the effective date of dissolution [by delivering] if the corporation's corporate
122	name is available and the corporation delivers to the division for filing an application for
123	reinstatement that:
124	(a) states:
125	(i) the effective date of the corporation's dissolution;
126	(ii) the corporation's corporate name as of the effective date of dissolution;
127	(iii) that the grounds for dissolution either did not exist or have been eliminated;
128	(iv) the corporate name under which the corporation is being reinstated;
129	(v) that the name stated in Subsection (1)(a)(iv) satisfies the requirements of Section
130	16-10a-401;
131	(vi) that the corporation has paid all fees or penalties imposed under this chapter or
132	other applicable state law;
133	(vii) that the corporation:
134	(A) has paid any taxes, fees, or penalties owed to the State Tax Commission; or
135	(B) is current on a payment plan with the State Tax Commission for any taxes, fees, or
136	penalties owed to the State Tax Commission;
137	(viii) the address of the corporation's registered office in this state;
138	(ix) the name of the corporation's registered agent at the office stated in Subsection
139	(1)(a)(viii);
140	(x) the federal employer identification number of the corporation; and
141	(xi) any additional information the division determines to be necessary or appropriate;
142	and
143	(b)
144	includes the written consent to appointment by the designated registered agent.
145	(2) A corporation administratively dissolved under Section 16-10a-1403 or
146	16-10a-1421 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement
147	under the corporation's same corporate name if the corporation's name is available and the
148	corporation delivers to the division for filing an application for reinstatement that satisfies the
149	requirements of Subsections (1)(a)(i), (1)(a)(ii), (1)(a)(iv) through (xi), and (1)(b).

150	(3) A corporation administratively dissolved under Section 16-10a-1403 or
151	16-10a-1421 retains the corporation's corporate name and assumed name, as described in
152	Section 42-2-6.6, for five years after the day on which the dissolution is effective.
153	[(2)] (4) (a) After receiving a corporation's application for reinstatement, the division
154	shall:
155	(i) provide the State Tax Commission with the corporation's federal employer
156	identification number; and
157	(ii) request that the State Tax Commission certify that the corporation is in good
158	standing.
159	(b) The State Tax Commission shall certify that a corporation is in good standing if the
160	corporation:
161	(i) has paid all taxes, fees, and penalties the corporation owed to the State Tax
162	Commission; or
163	(ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and
164	penalties the corporation owes to the State Tax Commission.
165	(c) If a corporation is not in good standing as described in [Subsection (2)(b)]
166	Subsection (4)(b), the State Tax Commission shall:
167	(i) notify the division, stating that the corporation is not in good standing; and
168	(ii) notify the corporation, explaining in detail why the corporation is not in good
169	standing.
170	[(3)] (a) The division shall revoke the administrative dissolution if:
171	(i) the division determines that the application for reinstatement contains the
172	information required under [Subsection (1)] Subsection (1) or (2);
173	(ii) the division determines that the information in the application is correct; and
174	(iii) the State Tax Commission certifies that the corporation is in good standing as
175	described in [Subsection (2)(b)] Subsection (4)(b).
176	(b) The division shall mail to the corporation in the manner provided in Subsection
177	16-10a-1421(5) written notice of:
178	(i) the revocation; and
179	(ii) the effective date of the revocation.
180	$\left[\frac{4}{4}\right]$ (6) (a) When the reinstatement is effective, the reinstatement relates back to the

181	effective date of the administrative dissolution.
182	(b) Upon reinstatement:
183	(i) an act of the corporation during the period of dissolution is effective and
184	enforceable as if the administrative dissolution had never occurred; and
185	(ii) the corporation may carry on the corporation's business, under the name [stated
186	pursuant to Subsection (1)(a)(iv)] provided in the application for reinstatement, as if the
187	administrative dissolution had never occurred.
188	Section 3. Section 16-16-1212 is amended to read:
189	16-16-1212. Reinstatement following administrative dissolution.
190	(1) A limited cooperative association that has been dissolved administratively may
191	apply to the division for reinstatement [not later than two years] under the limited cooperative
192	association's same name at any time after the effective date of dissolution[. The application
193	shall be delivered to the division for filing and state] if the limited cooperative association's
194	name is available and the limited cooperative association delivers to the division for filing an
195	application for reinstatement that states:
196	(a) the name of the association and the effective date of its administrative dissolution;
197	(b) that the grounds for dissolution either did not exist or have been eliminated; and
198	(c) that the association's name satisfies the requirements of Section 16-16-111.
199	(2) A limited cooperative association administratively dissolved on or after May 1,
200	2019, but before May 1, 2024, may apply for reinstatement under the limited cooperative
201	association's same name if the limited cooperative association's name is available and the
202	limited cooperative association delivers to the division for filing an application for
203	reinstatement that satisfies the requirements of Subsections (1)(a) and (c).
204	(3) A limited cooperative association retains the limited cooperative association's name
205	and assumed name, as described in Section 42-2-6.6, for five years after the day on which the
206	dissolution is effective.
207	[(2)] (4) If the division determines that an application contains the information required
208	by Subsection (1) $\underline{\text{or }(2)}$ and that the information is correct, the division shall:
209	(a) prepare a declaration of reinstatement;
210	(b) file the original of the declaration; and
211	(c) serve a copy of the declaration on the association.

[(3)] (5) When reinstatement under this section becomes effective, it relates back to and takes effect as of the effective date of the administrative dissolution, and the limited cooperative association may resume or continue its activities as if the administrative dissolution had not occurred.

Section 4. Section 48-1d-1103 is amended to read:

48-1d-1103. Reinstatement.

- (1) A limited liability partnership whose statement of qualification has been revoked administratively under Section 48-1d-1102 may apply to the division for reinstatement of the statement of qualification [not later than two years] under the limited liability partnership's same name, at any time after the effective date of the revocation[. The application must state:] if the limited liability partnership's name is available and the limited liability partnership delivers to the division for filing an application for reinstatement of the statement of qualification that states:
- (a) the name of the partnership at the time of the administrative revocation of its statement of qualification and, if needed, a different name that satisfies Section 48-1d-1105;
- (b) the address of the principal office of the partnership and information required under Subsection 16-17-203(1);
- (c) the effective date of administrative revocation of the partnership's statement of qualification; and
 - (d) that the grounds for revocation did not exist or have been cured.
- (2) A limited liability partnership whose statement of qualification has been revoked administratively under Section 48-1d-1102 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited liability partnership's same name if the limited liability partnership's name is available and the limited liability partnership delivers to the division for filing an application for reinstatement of the statement of qualification that satisfies the requirements of Subsections (1)(a) through (c).
- (3) A limited liability partnership retains the limited liability partnership's name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the administrative revocation of the statement of qualification is effective.
- [(2)] (4) To have its statement of qualification reinstated, a partnership whose statement of qualification has been revoked administratively must pay all fees, taxes, and

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- penalties that were due to the division at the time of the administrative revocation and all fees, taxes, and penalties that would have been due to the division while the partnership's statement of qualification was revoked administratively.

 [33] (5) If the division determines that the application contains the information
- [(3)] (5) If the division determines that the application contains the information required by Subsection (1) or (2), is satisfied that the information is correct, and determines that all payments required to be made to the division by [Subsection (2)] Subsection (4) have been made, the division shall:
- (a) cancel the statement of revocation and prepare a statement of reinstatement that states the division's determination and the effective date of reinstatement;
 - (b) file the statement of revocation; and
 - (c) serve a copy of the statement of revocation on the limited liability partnership.
 - [(4)] (6) When reinstatement under this section is effective, the following rules apply:
- (a) the reinstatement relates back to and takes effect as of the effective date of the administrative revocation; and
- (b) the partnership's status as a limited liability partnership continues as if the revocation had not occurred, except for the rights of a person arising out of an act or omission in reliance on the revocation before the person knew or had notice of the reinstatement are not affected.
 - Section 5. Section **48-2e-811** is amended to read:

48-2e-811. Reinstatement.

- (1) A limited partnership that is administratively dissolved under Section 48-2e-810 may apply to the division for reinstatement [not later than two years] under the limited partnership's same name at any time after the effective date of dissolution[. The application must state] if the limited partnership's name is available and the limited partnership delivers to the division for filing an application for reinstatement that states:
- (a) the name of the limited partnership at the time of its administrative dissolution and, if needed, a different name that satisfies Section 48-2e-108;
- (b) the address of the principal office of the limited partnership and the name and address of its registered agent;
 - (c) the effective date of the limited partnership's administrative dissolution; and
- (d) that the grounds for dissolution did not exist or have been cured.

274	(2) A limited partnership administratively dissolved under Section 48-2e-810 on or
275	after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited
276	partnership's same name if the limited partnership's name is available and the limited
277	partnership delivers to the division for filing an application for reinstatement that satisfies the
278	requirements of Subsections (1)(a) through (c).
279	(3) A limited partnership retains the limited partnership's name and assumed name, as
280	described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.
281	[(2)] (4) To be reinstated, a limited partnership must pay all fees, taxes, interest, and
282	penalties that were due to the division at the time of its administrative dissolution and all fees,
283	taxes, interest, and penalties that would have been due to the division while the limited
284	partnership was administratively dissolved.
285	[(3)] (5) If the division determines that an application under Subsection (1) or (2)
286	contains the information required, is satisfied that the information is correct, and determines
287	that all payments required to be made to the division by [Subsection (2)] Subsection (4) have
288	been made, the division shall:
289	(a) cancel the statement of administrative dissolution and prepare a statement of
290	reinstatement that states the division's determination and the effective date of reinstatement;
291	(b) file the statement of reinstatement; and
292	(c) serve a copy of the statement of reinstatement on the limited partnership.
293	[(4)] (6) When reinstatement under this section is effective, the following rules apply:
294	(a) The restatement relates back to and takes effect as of the effective date of the
295	administrative dissolution.
296	(b) The limited partnership resumes carrying on its activities and affairs as if the
297	administrative dissolution had not occurred.
298	(c) The rights of a person arising out of an act or omission in reliance on the
299	dissolution before the person knew or had notice of the reinstatement are not affected.
300	Section 6. Section 48-3a-709 is amended to read:
301	48-3a-709. Reinstatement.
302	(1) A limited liability company that is administratively dissolved under Section
303	48-3a-708 may apply to the division for reinstatement [not later than two years] under the
304	limited liability company's same name at any time after the effective date of dissolution[. The

305	application must state:] if the limited liability company's name is available and the limited
306	liability company delivers to the division for filing an application for reinstatement that states:
307	(a) the name of the limited liability company at the time of its administrative
308	dissolution and, if needed, a different name that satisfies Section 48-3a-108;
309	(b) the address of the principal office of the limited liability company and the name and
310	address of its registered agent;
311	(c) the effective date of the limited liability company's administrative dissolution; and
312	(d) that the grounds for dissolution did not exist or have been cured.
313	(2) A limited liability company administratively dissolved under Section 48-3a-708 on
314	or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited
315	liability company's same name if the limited liability company's name is available and the
316	limited liability company delivers to the division for filing an application for reinstatement that
317	satisfies the requirements of Subsections (1)(a) through (c).
318	(3) A limited liability company retains the limited liability company's name and
319	assumed name, as described in Section 42-2-6.6, for five years after the day on which the
320	dissolution is effective.
321	[(2)] (4) To be reinstated, a limited liability company must pay all fees, taxes, interest,
322	and penalties that were due to the division at the time of its administrative dissolution and all
323	fees, taxes, interest, and penalties that would have been due to the division while the limited
324	liability company was administratively dissolved.
325	$[\frac{(3)}{2}]$ If the division determines that an application under Subsection (1) or (2)
326	contains the information required by Subsection (1) or (2), is satisfied that the information is
327	correct, and determines that all payments required to be made to the division by [Subsection
328	(2) Subsection (4) have been made, the division shall:
329	(a) cancel the statement of administrative dissolution and prepare a statement of
330	reinstatement that states the division's determination and the effective date of reinstatement;
331	(b) file the statement of reinstatement; and
332	(c) serve a copy of the statement of reinstatement on the limited liability company.
333	[(4)] (6) When reinstatement under this section is effective, the following rules apply:
334	(a) The reinstatement relates back to and takes effect as of the effective date of the
335	administrative dissolution.

336	(b) The limited liability company may resume its activities and affairs as if the
337	administrative dissolution had not occurred.
338	(c) The rights of a person arising out of an act or omission in reliance on the
339	dissolution before the person knew or had notice of the reinstatement are not affected.
340	Section 7. Section 59-7-505 is amended to read:
341	59-7-505. Returns required When due Extension of time Exemption from
342	filing.
343	(1) Each corporation subject to taxation under this chapter shall make a return, except
344	that a group of corporations filing a combined report under Part 4, Combined Reporting, shall
345	file one combined report.
346	(a) The return shall be signed by a responsible officer of the corporation, the signature
347	of whom need not be notarized but when signed shall be considered as made under oath.
348	(b) (i) In cases where receivers, trustees in bankruptcy, or assignees are operating the
349	property or business of corporations, those receivers, trustees, or assignees shall make returns
350	for such corporations in the same manner and form as corporations are required to make
351	returns.
352	(ii) Any tax due on the basis of such returns made by receivers, trustees, or assignees
353	shall be collected in the same manner as if collected from the corporations of whose business
354	or property they have custody and control.
355	(2) (a) A corporation required to make a return under this chapter shall make a return
356	on or before the later of:
357	(i) the 15th day of the fourth month following the close of the taxable year; or
358	(ii) the day on which the corporation is required to file a federal income tax return.
359	(b) Interest accrues from the day on which a return is due under this Subsection (2).
360	(3) (a) The commission shall allow a taxpayer an extension of time for filing a return.
361	(b) Except as provided in Subsection (3)(c), the extension described in Subsection
362	(3)(a) may be for up to six months.
363	(c) For a taxable year beginning on or after January 1, 2019, but beginning on or before
364	December 31, 2019, a taxpayer may receive an extension described in Subsection (3)(a) for the
365	time period that ends on the last day of the extension to file the taxpayer's federal income tax
366	return.

- 02-09-24 9:29 AM 367 (4) Each return shall be made to the commission. 368 (5) A corporation incorporated or qualified to do business in this state before January 369 1, 1973, is not liable for filing a return or paying tax measured by income for the taxable year 370 in which the corporation legally terminates the corporation's existence. 371 (6) A corporation incorporated or qualified to do business or that had the corporation's 372 authority to do business reinstated on or after January 1, 1973, shall file a return and pay the tax 373 measured by income for each period during which the corporation had the right to do business 374 in this state, and the return shall be filed and the tax paid within three months and 15 days after 375 the close of this period. 376 (7) If a corporation terminates the corporation's existence under Section 16-10a-1401, 377 the corporation is not required to file a return if the corporation provides a statement to the 378 commission that no business has been conducted during that period. 379 (8) (a) A corporation commencing to do business in Utah after qualification or incorporation with the Division of Corporations and Commercial Code is not required to file a 380 381 return for the period commencing with the date of incorporation or qualification and ending on 382 the last day of the same month, if that corporation was not doing business in and received no 383 income from sources in the state during such period. 384 (b) In determining whether a corporation comes within the provisions of this chapter, 385 affidavits on behalf of the corporation that it did no business in and received no income from 386 sources in Utah during such period shall be filed with the commission. 387 (9) An entity required to file a return under this section shall report on the entity's 388 return: 389 (a) whether the entity has filed a current annual report with the Division of 390 Corporations; and 391 (b) the entity's commerce entity number. 392 Section 8. Section **59-10-1403** is amended to read: 393 59-10-1403. Income tax treatment of a pass-through entity -- Returns --
 - (1) Subject to Subsection (3) and except as provided in Subsection 59-10-1403.2(2), a pass-through entity is not subject to a tax imposed by this chapter.

Classification same as under Internal Revenue Code.

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(2) Except as provided in Section 59-10-1403.3, the income, gain, loss, deduction, or

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398	credit of a pass-through entity shall be passed through to one or more pass-through entity
399	taxpayers as provided in this part.
400	(3) A pass-through entity is subject to the return filing requirements of Sections
401	59-10-507, 59-10-514, and 59-10-516.
402	(4) For purposes of taxation under this title, a pass-through entity that transacts
403	business in the state shall be classified in the same manner as the pass-through entity is
404	classified for federal income tax purposes.
405	(5) (a) If a change is made in a pass-through entity's net income or loss on the
406	pass-through entity's federal income tax return because of an action of the federal government,
407	the pass-through entity shall file with the commission within 90 days after the date of a final
408	determination of the action:
409	(i) a copy of the pass-through entity's amended federal income tax return or federal
410	adjustment; and
411	(ii) an amended state income tax return that conforms with the changes made in the
412	pass-through entity's amended federal income tax return.
413	(b) If a change is made in a pass-through entity's net income on the pass-through
414	entity's federal income tax return because the pass-through entity files an amended federal
415	income tax return, the pass-through entity shall file with the commission, within 90 days after
416	the date the taxpayer files the amended federal income tax return:
417	(i) a copy of the pass-through entity's amended federal income tax return; and
418	(ii) an amended state income tax return that conforms with the changes made in the
419	pass-through entity's amended federal income tax return.
420	(6) (a) A pass-through entity subject to the return filing requirements under Subsection
421	(3), shall report on the pass-through entity's return:
422	(i) whether the entity has filed a current annual report with the Division of
423	Corporations; and

(ii) the entity's commerce entity number.

This bill takes effect on May 1, 2024.

Section 9. Effective date.

(b) Subsection (6)(a) does not apply to an individual, estate, or trust.