

## SB0014S03 compared with SB0014S02

~~deleted text~~ shows text that was in SB0014S02 but was deleted in SB0014S03.

inserted text shows text that was not in SB0014S02 but was inserted into SB0014S03.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

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:

## SB0014S03 compared with SB0014S02

- 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

### Other Special Clauses:

~~{ None }~~ This bill provides retrospective operation.

### Utah Code Sections Affected:

AMENDS:

**16-6a-1412**, as last amended by Laws of Utah 2023, Chapter 191

**16-10a-1422**, as last amended by Laws of Utah 2023, Chapter 191

**16-16-1212**, as last amended by Laws of Utah 2010, Chapter 378

**48-1d-1103**, as enacted by Laws of Utah 2013, Chapter 412

**48-2e-811**, as enacted by Laws of Utah 2013, Chapter 412

**48-3a-709**, as enacted by Laws of Utah 2013, Chapter 412

**59-7-505**, as last amended by Laws of Utah 2021, Chapter 367

**59-10-1403**, as last amended by Laws of Utah 2023, Chapter 470

---

---

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **16-6a-1412** is amended to read:

**16-6a-1412. Reinstatement following administrative dissolution -- Reinstatement after voluntary dissolution.**

(1) A nonprofit corporation administratively dissolved under Section 16-6a-1411 may apply to the division for reinstatement [~~within two years~~] under the nonprofit corporation's same name at any time after the effective date of dissolution [~~by delivering~~] if the nonprofit corporation's name is available and the nonprofit corporation delivers to the division for filing an application for reinstatement that:

(a) states:

(i) the effective date of the nonprofit corporation's administrative dissolution and the nonprofit corporation's corporate name on the effective date of dissolution;

## SB0014S03 compared with SB0014S02

- (ii) that the ground or grounds for dissolution:
  - (A) did not exist; or
  - (B) have been eliminated;
- (iii) the corporate name under which the nonprofit corporation is being reinstated;
- (iv) the corporate name that satisfies the requirements of Section 16-6a-401;
- (v) that the nonprofit corporation has paid all fees or penalties imposed under this chapter or other applicable state law;
- (vi) that the nonprofit corporation:
  - (A) has paid any taxes, fees, or penalties owed to the State Tax Commission; or
  - (B) is current on a payment plan with the State Tax Commission for any taxes, fees, or penalties owed to the State Tax Commission;
- (vii) the address of the nonprofit corporation's registered office;
- (viii) the name of the nonprofit corporation's registered agent at the office stated in ~~Subsection (1)(f);~~ Subsection (1)(a)(vii);
- (ix) the federal employer identification number of the nonprofit corporation; and
- (x) any additional information the division determines is necessary or appropriate; and
- (b)~~f~~

~~—~~ f includes the written consent to appointment by the designated registered agent.

(2) A nonprofit corporation administratively dissolved under Section 16-6a-1411 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the nonprofit corporation's same corporate name if the nonprofit corporation's name is available and the nonprofit corporation delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a)(i), (1)(a)(iii) through (x), and (1)(b).

(3) A nonprofit corporation administratively dissolved under Section 16-6a-1411 retains the nonprofit corporation's corporate name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.

~~(2)~~ (4) (a) After receiving a nonprofit corporation's application for reinstatement, the division shall:

- (i) provide the State Tax Commission with the nonprofit corporation's federal employer identification number; and
- (ii) request that the State Tax Commission certify that the nonprofit corporation is in

## SB0014S03 compared with SB0014S02

good standing.

(b) The State Tax Commission shall certify that a nonprofit corporation is in good standing if the nonprofit corporation:

(i) has paid all taxes, fees, and penalties the nonprofit corporation owed to the State Tax Commission; or

(ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and penalties the nonprofit corporation owes to the State Tax Commission.

(c) If a nonprofit corporation is not in good standing as described in [~~Subsection (2)(b)~~] Subsection (4)(b), the State Tax Commission shall:

(i) notify the division, stating that the nonprofit corporation is not in good standing; and

(ii) notify the nonprofit corporation, explaining in detail why the nonprofit corporation is not in good standing.

~~[(3)]~~ (5) (a) The division shall revoke the administrative dissolution if:

(i) the division determines that the application for reinstatement contains the information required under [~~Subsection (1)~~] Subsection (1) or (2);

(ii) the division determines that the information in the application is correct; and

(iii) the State Tax Commission certifies that the nonprofit corporation is in good standing as described in [~~Subsection (2)(b)~~] Subsection (4)(b).

(b) The division shall mail written notice of the revocation to the nonprofit corporation in the manner provided in Subsection 16-6a-1411(5) stating the effective date of the dissolution.

~~[(4)]~~ (6) When the reinstatement is effective:

(a) the reinstatement relates back to and takes effect as of the effective date of the administrative dissolution;

(b) the nonprofit corporation may carry on the nonprofit corporation's activities, under the name [~~stated pursuant to Subsection (1)(a)(iii)~~] provided in the application for reinstatement, as if the administrative dissolution had never occurred; and

(c) an act of the nonprofit corporation during the period of dissolution is effective and enforceable as if the administrative dissolution had never occurred.

~~[(5)]~~ (7) (a) The division may make rules for the reinstatement of a nonprofit

## SB0014S03 compared with SB0014S02

corporation voluntarily dissolved.

(b) The rules made under [~~Subsection (5)(a)~~] Subsection (7)(a) shall be substantially similar to the requirements of this section for reinstatement of a nonprofit corporation that is administratively dissolved.

Section 2. Section **16-10a-1422** is amended to read:

### **16-10a-1422. Reinstatement following dissolution.**

(1) A corporation dissolved under Section 16-10a-1403 or 16-10a-1421 may apply to the division for reinstatement [~~within two years~~] under the corporation's same corporate name at any time after the effective date of dissolution [~~by delivering~~] if the corporation's corporate name is available and the corporation delivers to the division for filing an application for reinstatement that:

(a) states:

(i) the effective date of the corporation's dissolution;

(ii) the corporation's corporate name as of the effective date of dissolution;

(iii) that the grounds for dissolution either did not exist or have been eliminated;

(iv) the corporate name under which the corporation is being reinstated;

(v) that the name stated in Subsection (1)(a)(iv) satisfies the requirements of Section 16-10a-401;

(vi) that the corporation has paid all fees or penalties imposed under this chapter or other applicable state law;

(vii) that the corporation:

(A) has paid any taxes, fees, or penalties owed to the State Tax Commission; or

(B) is current on a payment plan with the State Tax Commission for any taxes, fees, or penalties owed to the State Tax Commission;

(viii) the address of the corporation's registered office in this state;

(ix) the name of the corporation's registered agent at the office stated in Subsection (1)(a)(viii);

(x) the federal employer identification number of the corporation; and

(xi) any additional information the division determines to be necessary or appropriate;

and

(b)†

## SB0014S03 compared with SB0014S02

~~\_\_\_\_\_~~ } \_\_\_\_\_ includes the written consent to appointment by the designated registered agent.

(2) A corporation administratively dissolved under Section 16-10a-1403 or 16-10a-1421 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the corporation's same corporate name if the corporation's name is available and the corporation delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a)(i), (1)(a)(ii), (1)(a)(iv) through (xi), and (1)(b).

(3) A corporation administratively dissolved under Section 16-10a-1403 or 16-10a-1421 retains the corporation's corporate name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.

~~[(2)]~~ (4) (a) After receiving a corporation's application for reinstatement, the division shall:

(i) provide the State Tax Commission with the corporation's federal employer identification number; and

(ii) request that the State Tax Commission certify that the corporation is in good standing.

(b) The State Tax Commission shall certify that a corporation is in good standing if the corporation:

(i) has paid all taxes, fees, and penalties the corporation owed to the State Tax Commission; or

(ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and penalties the corporation owes to the State Tax Commission.

(c) If a corporation is not in good standing as described in ~~[Subsection (2)(b)]~~ Subsection (4)(b), the State Tax Commission shall:

(i) notify the division, stating that the corporation is not in good standing; and

(ii) notify the corporation, explaining in detail why the corporation is not in good standing.

~~[(3)]~~ (5) (a) The division shall revoke the administrative dissolution if:

(i) the division determines that the application for reinstatement contains the information required under ~~[Subsection (1)]~~ Subsection (1) or (2);

(ii) the division determines that the information in the application is correct; and

(iii) the State Tax Commission certifies that the corporation is in good standing as

## SB0014S03 compared with SB0014S02

described in [~~Subsection (2)(b)~~] Subsection (4)(b).

(b) The division shall mail to the corporation in the manner provided in Subsection 16-10a-1421(5) written notice of:

- (i) the revocation; and
- (ii) the effective date of the revocation.

[~~(4)~~] (6) (a) When the reinstatement is effective, the reinstatement relates back to the effective date of the administrative dissolution.

(b) Upon reinstatement:

(i) an act of the corporation during the period of dissolution is effective and enforceable as if the administrative dissolution had never occurred; and

(ii) the corporation may carry on the corporation's business, under the name [~~stated pursuant to Subsection (1)(a)(iv)~~] provided in the application for reinstatement, as if the administrative dissolution had never occurred.

Section 3. Section **16-16-1212** is amended to read:

### **16-16-1212. Reinstatement following administrative dissolution.**

(1) A limited cooperative association that has been dissolved administratively may apply to the division for reinstatement [~~not later than two years~~] under the limited cooperative association's same name at any time after the effective date of dissolution [~~The application shall be delivered to the division for filing and state~~] if the limited cooperative association's name is available and the limited cooperative association delivers to the division for filing an application for reinstatement that states:

- (a) the name of the association and the effective date of its administrative dissolution;
- (b) that the grounds for dissolution either did not exist or have been eliminated; and
- (c) that the association's name satisfies the requirements of Section 16-16-111.

(2) A limited cooperative association administratively dissolved on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited cooperative association's same name if the limited cooperative association's name is available and the limited cooperative association delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a) and (c).

(3) A limited cooperative association retains the limited cooperative association's name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the

## SB0014S03 compared with SB0014S02

dissolution is effective.

~~[(2)]~~ (4) If the division determines that an application contains the information required by Subsection (1) or (2) and that the information is correct, the division shall:

- (a) prepare a declaration of reinstatement;
- (b) file the original of the declaration; and
- (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



## SB0014S03 compared with SB0014S02

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 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.

~~[(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:

## SB0014S03 compared with SB0014S02

(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.

(2) A limited partnership administratively dissolved under Section 48-2e-810 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited partnership's same name if the limited partnership's name is available and the limited partnership delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a) through (c).

(3) A limited partnership retains the limited partnership's name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.

~~[(2)]~~ (4) To be reinstated, a limited partnership must pay all fees, taxes, interest, and penalties that were due to the division at the time of its administrative dissolution and all fees, taxes, interest, and penalties that would have been due to the division while the limited partnership was administratively dissolved.

~~[(3)]~~ (5) If the division determines that an application under Subsection (1) or (2) contains the information required, 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 administrative dissolution and prepare a statement of reinstatement that states the division's determination and the effective date of reinstatement;

(b) file the statement of reinstatement; and

(c) serve a copy of the statement of reinstatement on the limited partnership.

~~[(4)]~~ (6) When reinstatement under this section is effective, the following rules apply:

(a) The restatement relates back to and takes effect as of the effective date of the administrative dissolution.

(b) The limited partnership resumes carrying on its activities and affairs as if the administrative dissolution had not occurred.

(c) The rights of a person arising out of an act or omission in reliance on the

## SB0014S03 compared with SB0014S02

dissolution before the person knew or had notice of the reinstatement are not affected.

Section 6. Section **48-3a-709** is amended to read:

### **48-3a-709. Reinstatement.**

(1) A limited liability company that is administratively dissolved under Section 48-3a-708 may apply to the division for reinstatement [~~not later than two years~~] under the limited liability company's same name at any time after the effective date of dissolution[~~. The application must state:.~~] if the limited liability company's name is available and the limited liability company delivers to the division for filing an application for reinstatement that states:

- (a) the name of the limited liability company at the time of its administrative dissolution and, if needed, a different name that satisfies Section 48-3a-108;
- (b) the address of the principal office of the limited liability company and the name and address of its registered agent;
- (c) the effective date of the limited liability company's administrative dissolution; and
- (d) that the grounds for dissolution did not exist or have been cured.

(2) A limited liability company administratively dissolved under Section 48-3a-708 on or after May 1, 2019, but before May 1, 2024, may apply for reinstatement under the limited liability company's same name if the limited liability company's name is available and the limited liability company delivers to the division for filing an application for reinstatement that satisfies the requirements of Subsections (1)(a) through (c).

(3) A limited liability company retains the limited liability company's name and assumed name, as described in Section 42-2-6.6, for five years after the day on which the dissolution is effective.

~~(2)~~ (4) To be reinstated, a limited liability company must pay all fees, taxes, interest, and penalties that were due to the division at the time of its administrative dissolution and all fees, taxes, interest, and penalties that would have been due to the division while the limited liability company was administratively dissolved.

~~(3)~~ (5) If the division determines that an application under Subsection (1) or (2) 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 administrative dissolution and prepare a statement of

## SB0014S03 compared with SB0014S02

reinstatement that states the division's determination and the effective date of reinstatement;

(b) file the statement of reinstatement; and

(c) serve a copy of the statement of reinstatement on the limited liability company.

~~[(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 dissolution.

(b) The limited liability company may resume its activities and affairs as if the administrative dissolution had not occurred.

(c) The rights of a person arising out of an act or omission in reliance on the dissolution before the person knew or had notice of the reinstatement are not affected.

Section 7. Section **59-7-505** is amended to read:

**59-7-505. Returns required -- When due -- Extension of time -- Exemption from filing.**

(1) Each corporation subject to taxation under this chapter shall make a return, except that a group of corporations filing a combined report under Part 4, Combined Reporting, shall file one combined report.

(a) The return shall be signed by a responsible officer of the corporation, the signature of whom need not be notarized but when signed shall be considered as made under oath.

(b) (i) In cases where receivers, trustees in bankruptcy, or assignees are operating the property or business of corporations, those receivers, trustees, or assignees shall make returns for such corporations in the same manner and form as corporations are required to make returns.

(ii) Any tax due on the basis of such returns made by receivers, trustees, or assignees shall be collected in the same manner as if collected from the corporations of whose business or property they have custody and control.

(2) (a) A corporation required to make a return under this chapter shall make a return on or before the later of:

(i) the 15th day of the fourth month following the close of the taxable year; or

(ii) the day on which the corporation is required to file a federal income tax return.

(b) Interest accrues from the day on which a return is due under this Subsection (2).

(3) (a) The commission shall allow a taxpayer an extension of time for filing a return.

## **SB0014S03 compared with SB0014S02**

(b) Except as provided in Subsection (3)(c), the extension described in Subsection (3)(a) may be for up to six months.

(c) For a taxable year beginning on or after January 1, 2019, but beginning on or before December 31, 2019, a taxpayer may receive an extension described in Subsection (3)(a) for the time period that ends on the last day of the extension to file the taxpayer's federal income tax return.

(4) Each return shall be made to the commission.

(5) A corporation incorporated or qualified to do business in this state before January 1, 1973, is not liable for filing a return or paying tax measured by income for the taxable year in which the corporation legally terminates the corporation's existence.

(6) A corporation incorporated or qualified to do business or that had the corporation's authority to do business reinstated on or after January 1, 1973, shall file a return and pay the tax measured by income for each period during which the corporation had the right to do business in this state, and the return shall be filed and the tax paid within three months and 15 days after the close of this period.

(7) If a corporation terminates the corporation's existence under Section 16-10a-1401, the corporation is not required to file a return if the corporation provides a statement to the commission that no business has been conducted during that period.

(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 return for the period commencing with the date of incorporation or qualification and ending on the last day of the same month, if that corporation was not doing business in and received no income from sources in the state during such period.

(b) In determining whether a corporation comes within the provisions of this chapter, affidavits on behalf of the corporation that it did no business in and received no income from sources in Utah during such period shall be filed with the commission.

(9) An entity required to file a return under this section shall report on the entity's return:

(a) whether the entity has filed a current annual report with the Division of Corporations; and

(b) the entity's commerce entity number.

## **SB0014S03 compared with SB0014S02**

Section 8. Section **59-10-1403** is amended to read:

### **59-10-1403. Income tax treatment of a pass-through entity -- Returns --**

#### **Classification same as under Internal Revenue Code.**

(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.

(2) Except as provided in Section 59-10-1403.3, the income, gain, loss, deduction, or credit of a pass-through entity shall be passed through to one or more pass-through entity taxpayers as provided in this part.

(3) A pass-through entity is subject to the return filing requirements of Sections 59-10-507, 59-10-514, and 59-10-516.

(4) For purposes of taxation under this title, a pass-through entity that transacts business in the state shall be classified in the same manner as the pass-through entity is classified for federal income tax purposes.

(5) (a) If a change is made in a pass-through entity's net income or loss on the pass-through entity's federal income tax return because of an action of the federal government, the pass-through entity shall file with the commission within 90 days after the date of a final determination of the action:

(i) a copy of the pass-through entity's amended federal income tax return or federal adjustment; and

(ii) an amended state income tax return that conforms with the changes made in the pass-through entity's amended federal income tax return.

(b) If a change is made in a pass-through entity's net income on the pass-through entity's federal income tax return because the pass-through entity files an amended federal income tax return, the pass-through entity shall file with the commission, within 90 days after the date the taxpayer files the amended federal income tax return:

(i) a copy of the pass-through entity's amended federal income tax return; and

(ii) an amended state income tax return that conforms with the changes made in the pass-through entity's amended federal income tax return.

(6) (a) A pass-through entity subject to the return filing requirements under Subsection (3), shall report on the pass-through entity's return:

(i) whether the entity has filed a current annual report with the Division of

## SB0014S03 compared with SB0014S02

Corporations; and

(ii) the entity's commerce entity number.

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

Section 9. **Effective date.**

This bill takes effect on May 1, 2024.

**Section 10. Retrospective operation.**

(1) The following sections have retrospective operation for a taxable year beginning on or after January 1, 2024:

(a) Section 59-7-505; and

(b) Section 59-10-1403.