

Important Changes to Pennsylvania Corporate Law: Annual Reporting Obligations

Business owners in Pennsylvania should take note of a significant new change to corporate law that will be effective starting in 2024. Act 122 has replaced Pennsylvania's traditional decennial corporate filing requirements with new annual reporting obligations. Failing to comply with the new regulations may result in administrative repercussions for entities. Below are some frequently asked questions to help you navigate these changes:

Who Must File an Annual Report?

Pennsylvania's Act 122 requires annual reports from all organizations including but not limited to:

- Corporations
- Limited liability Partnerships (limited, limited liability and other partnerships)
- Non-profit corporations
- Registered foreign entities (out of state companies registered to do business in Pennsylvania).

What Are the Filing Deadlines?

Starting January 3, 2024, organizations must file their annual reports with the Pennsylvania Department of State ("PA DOS") according to these deadlines:

- Domestic or foreign corporations must file before July 1st of each year.
- Domestic or foreign limited liability companies must file before October 1st of each year.
- All other entities must file before December 31st of each year.

Is There a Fee Associated with Filing an Annual Report and How Should We File?

Yes, there will be a fee of \$7.00 per filing, except for nonprofit entities that can file for free. Reports can be filed electronically <https://file.dos.pa.gov>, or as hard-copy filings.

What Information Must Be Included in an Annual Report?

- Business name and jurisdiction of the entity's formation;
- Address of the entity's registered office (or its commercial registered office provider);
- The name of at least one director, manager, member or partner;
- The names and titles of principal officers of the entity, if any;
- The address of the entity's principal office; and
- The entity number issued by the Pennsylvania Department of State.

What Happens if a Business Misses the Deadline to File an Annual Report?

Missing the annual report filing deadline may result in the following consequences:

Administrative dissolution, cancellation or termination of registrations, as applicable to your entity. If an entity misses its deadline for reporting, then on January 4, 2027, the PA DOS will issue a notice of failure. The entity has six months to file its annual report from the missed deadline. If the entity fails to file, the PA DOS will take administrative action against it and notify the entity of this action. During the time of administrative dissolution or cancellation, the entity's name may be claimed by another, and their activities will be limited to those necessary to wind up the business. After administrative action has been taken, the delinquent entity can apply for reinstatement and pay the relevant fees. If approved, the PA DOS will cancel the previous administrative action, file a statement of reinstatement within 30 days, and give a copy to the delinquent entity. However, if the PA DOS rejects that application or fails to file a reinstatement within the specified time, the delinquent entity may need to seek judicial review to be reinstated in Pennsylvania.

Your Reliable Partner for Annual Reporting

The key to avoiding setbacks and ensuring timely submissions is by reviewing requirements and gathering essential data. To avoid complications and delays, being proactive in reviewing requirements and collecting necessary data is essential. At CGA Law Firm, we're dedicated to assisting you in comprehending your reporting obligations, ensuring strict compliance with relevant regulations.