

ANNUAL REPORT DOES YOUR BUSINESS NEED TO FILE ONE?

By Nellie Akalp

Once you've formed an LLC or a corporation for your business, your operational and administrative obligations are going to be higher than a sole proprietor's. While an LLC involves significantly less paperwork and formal administration than a corporation, both business entities generally need to file an annual report with the state.

Here's what you need to know about this important filing to keep your small business in corporate compliance.

What Is An Annual Report?

Also known as a Statement of Information, the annual report is typically required by the state so they can keep up to date with your company's vital information. For example, you may be asked to submit information about directors and officers, and the registered agent and office address of the company.

In most states, there's also a small filing fee associated with the report.

All states except Ohio and Alabama require some kind of annual report.

When is the Annual Report due?

Specific due dates vary from state to state. In some cases, the deadline falls on the anniversary of your business' incorporation/formation date. In other cases, it's when your annual tax statements are due and in some cases, it's at the end of the calendar year.

Be sure to know your specific filing deadline by checking with your state's secretary of state office.

What Kind of Information Do I Need to Include in the Annual Report?

The annual report will generally ask you for basic contact and operational information. The type of details you provided when you first filed to form your corporation or LLC. The specific details will vary by state and business type.

For example, an LLC in California will need to provide the following details in its annual report:

- Business address.
- Member names and addresses.
- Business officers: President, secretary and treasurer.

What is an Initial Report?

In some states, LLCs and Corporations are also required to file an initial report shortly after the LLC/Corporation is formed. Like the annual report, the initial report contains basic information about business activity (registered address, directors, etc.).

At present, the following states require an initial report filing:

- California
- Connecticut
- Georgia
- Louisiana
- Missouri
- Nevada
- New Mexico
- Washington

What Happens if I Don't Turn in My Annual Report/Initial Report?

These reports may seem like a trivial paperwork, but they're actually quite important. Missing the deadline can result in late penalties and fees (and there's no reason your business should pay a dime more than it ought to).

In the worst case scenario (i.e. if you've skipped your annual report for multiple years on end), your company can be suspended or dissolved.

In addition, you need to think about keeping an LLC/corporation in good standing in order to maintain its "corporate shield." One of the biggest advantages of these formal business structures is that they minimize your personal liability (shields you from the activities of the

business). But if your business happens to be sued and the plaintiff can show that you haven't maintained your LLC/corporation to the letter of the law (i.e. your annual reports aren't up to date), your corporate shield might be pierced and you can be personally liable.

As a small business owner, I know just how hectic your schedule can be. But be sure to set aside some time to address your business' administrative obligations. Know your deadlines and get your paperwork in on time.

It's a relatively easy task and will make sure your business stays in compliance (and you won't have to pay any hefty fines).

This post originally appeared in [Small Business Trends](#), and is written by Nellie Akalp, a passionate entrepreneur, small business advocate and mother of four. As CEO of [CorpNet.com](#), a legal document preparation filing service, Nellie helps entrepreneurs [start a business](#), [Incorporate](#), [Form an LLC](#), set up [Sole Proprietorships \(DBAs\)](#) and [maintain a business in compliance with state filing requirements](#) for a new or existing business.

