For A Limited Time Only - California Is Giving Away Corporations, LLCs And More!

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Thursday, July 7, 2022

As a result of the recent enactment of California's 2022-2023 Budget Bill, the California Secretary of State's office has announced a temporary waiver of many business entity filing fees. This waiver will last until June 30, 2023, the end of the state's current fiscal year.

Here is the Secretary of State's list of filings for which no filing fee is currently being imposed:

- Articles of Organization - CA LLC
- Registration - Out-of-State LLC
- Articles of Incorporation - CA Corporation - Benefit
- Articles of Incorporation - CA Corporation - Close
Note that the Secretary of State will continue to impose other fees not listed above.

It is unlikely that this temporary suspension of fees will have any significant impact on the number of business entities being formed under California law. Historically, these fees have been relatively modest. For example, the fee for filing articles of incorporation is $100. Cal. Gov't Code § 12186(c). The real costs are the ongoing costs associated with the crushing tax and regulatory burdens placed on businesses by the state. According to the Tax Foundation, California ranks 48th in business tax climate (just ahead of New York and New Jersey).

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