

Legislative Alert: PA Act 122: Entities Required to File Annual Reports Starting in 2024

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For many years, Pennsylvania has been the only state that does not require entities organized under its laws to file an annual report (or a biennial report) confirming the continued existence of that entity. Instead, Pennsylvania has required the (often misunderstood) decennial filing once every 10 years to confirm the existence of each entity that has not made some other type of filing with the Pennsylvania Corporation Bureau during the preceding 10 years.

However, the Pennsylvania legislature recently passed and approved PA House Bill 2057. **This Bill amends Title 15 of the Pennsylvania Consolidated Statutes dealing with Corporations and Unincorporated Associations, which now requires an annual report filing for various entities organized or authorized to do business in Pennsylvania.** The bill was signed into law as Act 122 of 2022 by Governor Wolf on November 3, 2022.

In the midst of the various amendments to Title 15 under Act 122, the [PA Department of State](#) is replacing the current decennial filing system with the same type of system requiring annual reports that is used in every other state. New Section 146 of Title 15 provides, in part, that, **on any annual basis, a “domestic filing entity, domestic limited liability partnership, domestic electing partnership that is not a limited partnership or registered foreign association” must file and deliver an annual report to the PA Department of State.**

The annual report, signed by the entity, must provide the following minimum information:

- the entity’s name and jurisdiction of formation;
- the entity’s registered office address in Pennsylvania;
- the name of at least one “governor” (i.e., director, manager, member, partner, etc.);
- the names and titles of the persons who are the entity’s principal officers, if any, as determined by its governors;
- the address of its principal office, including street and number, if any, wherever located; and
- its entity number or similar identifier issued by the PA Department of State.

It should be noted that this annual report requirement applies to for-profit and nonprofit corporations and entities, as well as limited liability companies, limited partnerships and foreign associations registered to do business in Pennsylvania.

While Act 122 becomes effective 60 days after signing (i.e., as of January 2, 2023), **the annual report filing requirements do not become effective until one year later – thus, January 2, 2024.**

Also, as stated in the Act, there are staggered filing deadlines based on the type of entity – namely:

- before July 1st for nonprofit and for-profit corporations,
- before October 1st for limited liability companies, and
- on or before December 31st for any other entity or association.

Thus, the very first filing deadline is as of July 1, 2024 for corporations.

If an entity or association fails to file an annual report, then it will be subject to (i) administrative dissolution if it is a domestic filing entity, (ii) administrative cancellation if it is a domestic limited liability partnership or electing partnership; or (iii) administrative termination of its registration if it is a foreign association, with the penalty that it will lose the right to its name.

An entity may file for reinstatement at any time after its administrative dissolution, and will regain the right to its name unless the name has been used by another entity during the period of administrative dissolution.

However, because the annual report requirement represents a major change in Pennsylvania law that will affect all existing entities, the Act delays the full effectiveness of the annual report provisions for several years – namely, the Department of State will not start taking administrative steps until 2027 for an entity's failure to file an annual report. This delay should provide adequate time to educate Pennsylvania businesses before any entities are subject to the possibility of losing their names or losing their registrations.

Knox Law suggests you consult with your attorney and/or accountant to be sure the filings are made correctly and promptly. Our attorneys can be reached by calling 814-459-2800, or see our [full roster](#).



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