

Closing a Rhode Island Business



RI Business
Services



The only way to formally end a business's existence is to dissolve the entity with the RI Department of State. Once a dissolution document is successfully filed, an entity legally ceases to exist and **can no longer conduct any activity, including closing out bank accounts, making business decisions, and selling property.**

It is recommended that filing a dissolution document be the last step in the closure process. This checklist outlines other steps you should take **before** formally dissolving a RI business.

<input type="checkbox"/>	Formally decide to close and record the decision	The decision to dissolve an entity must be made according to the guidelines established in the entity's articles, bylaws, or operating agreement.
<input type="checkbox"/>	Comply with employment and labor laws	State and federal laws require employers to pay employees according to specific guidelines at the time of termination. See Step 2 of "Close Your Rhode Island Business" on sos.ri.gov for more information.
<input type="checkbox"/>	Terminate your Employer Account with RI Department of Labor and Training	To terminate an employer account with DLT's Employer Tax Division, you must file Form TX-13 along with all outstanding Quarterly Tax & Wage Reports (Form TX-17).
<input type="checkbox"/>	Resolve all financial obligations	Consult with your accountant, attorney, and insurers to verify that you have accounted for everything, including informing all lenders and creditors of your plans to dissolve the business and settle remaining debts.

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<input type="checkbox"/>	Disburse, transfer, or sell all assets	Remember, the entity cannot cash outstanding checks, sell property, or take any other financial action once it has been dissolved. Carefully assess all current and outstanding assets and disburse them fully before dissolving.
<input type="checkbox"/>	File final return form with the RI Division of Taxation and IRS	<p>You must file Final Return Forms with the RI Division of Taxation and IRS and confirm that all other tax accounts have been closed and your tax obligations paid in full. See Step 6 of “Close Your Rhode Island Business” on sos.ri.gov for more information.</p> <p>To verify your status, email tax.collections@tax.ri.gov or visit the RI Taxpayer Portal.</p>
<input type="checkbox"/>	Cancel registrations, permits and licenses	Cancel all licenses and permits that you no longer need. This may include a sales tax permit through the RI Division of Taxation, professional licensing through another RI state agency, and municipal permits or licenses through your local city or town.
<input type="checkbox"/>	Cancel the entity’s EIN	<p>The employer identification number (EIN) assigned to your business is the permanent taxpayer identification number for that business. To cancel your EIN and close your IRS business account, you must send a letter to the IRS that includes:</p> <ul style="list-style-type: none">• The complete legal name of the business• The business EIN• The business address• The reason you wish to close the account

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<input type="checkbox"/>	Submit dissolution documents	File Articles of Dissolution (or a similar form specific to your entity type) with the RI Department of State. Once this filing is accepted, the entity legally ceases to exist.
<input type="checkbox"/>	Confirm your filing	You will not receive a mailed/emailed confirmation for a filing received by this office. Instead, all filings are posted on our public database in PDF format. Most filings are processed within 3 business days of receipt. To confirm your submission and obtain evidence of your filing , visit the Corporate Database and search by “inactive” entities.
<input type="checkbox"/>	Maintain records	In most cases, the business is legally obligated to maintain records, particularly tax and employment records and private corporate records , even after the business has closed. Contact your attorney and/or accountant for more information on your specific requirements.




REMEMBER!

Closing a business is a permanent decision that carries financial and legal implications. If you have questions or concerns, seek the advice of a qualified corporate attorney and/or CPA **before** legally dissolving your business.

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