



Run a Business in Kentucky? File Your Kentucky Annual Report By October 31

by Patrick Hughes

phughes@dbllaw.com

If you own or operate a business in Kentucky, make sure you have filed your Kentucky Annual Report. In a [recent press release](#), the Kentucky Secretary of State's office warns that tens of thousands of companies face dissolution if they don't file their annual report by the deadline of October 31.

Under Kentucky law, companies, including corporations, limited liability companies, professional service corporations, partnerships, limited liability partnerships, business trusts, etc., are required to file an Annual Report with the Secretary of State by June 30. If they fail to do so, they will be placed in bad standing. If they fail to eventually file, albeit it late, by October 31, the business will be administratively dissolved or have its authority to do business in Kentucky revoked.

Why is this important to your business? There are many reasons. For example, if your company is attempting to enter into a business contract, the other party may require you get back in "Good Standing" with the state before finalizing the deal. If your company is in bad standing, or has been administratively dissolved, you may have a problem getting a bank loan. In some cases, your existing lender may have the right to declare your loans in default. Why? Because under Kentucky law, if your company is administratively dissolved, you are not technically authorized to do business in the state.

In addition to impairing your ability to do business and obtain credit, failing to file your annual report could expose you, the owner, to personal liability. If your company is administratively dissolved, a party suing the company may be able to make the argument that the owners are personally liable since the company technically no longer exists.

The downside of not filing your annual report can be very significant. The good news is that filing your annual report is relatively simple and can even be done on-line. If your company has been administratively dissolved, there is a legal process to get re-instated.

By simply complying with the Annual Report filing requirement, you can avoid the significant risks and hassles arising from your company being in bad standing or administratively dissolved.