

# CLOSING A WASHINGTON STATE BUSINESS

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## **BEST PRACTICES AND STEPS TO BE TAKEN IF YOU CHOOSE TO CLOSE A WASHINGTON STATE BUSINESS:**

1. Contact your attorney and accountant.
2. Collect the assets of the business. Don't forget to include your attempts to collect on all outstanding accounts receivable or other amounts due to the business.
3. Pay off all outstanding amounts due to employees.
4. File tax returns and pay off all taxes due for the business. Follow the [Closing a Business Checklist](#) from the IRS.
5. Pay off all loans of the business, particularly those with personal guarantees or other security obligations.
6. Pay off all creditors of the business.
7. Distribute the remaining assets to the owners in accordance with the businesses' governing documents.

## **YOU MUST NOTIFY ALL REGULATORY AGENCIES:**

**Department of Revenue** – Fill out the [Business Information Change Form](#). This will be shared with Employment Security Department and the Department of Labor & Industries.

**Secretary of State** if your business is a corporation or limited liability company. Each entity has its own steps to follow.

- If your business is a corporation, you must first request a Revenue Clearance Certificate to show that the corporation does not owe any taxes. Complete and submit the DOR [Revenue Clearance Certificate Application](#). Then complete and submit [Articles of Dissolution](#), attaching the Revenue Clearance Certificate received from DOR.
- If your business is an LLC, complete and submit a [Certificate of Dissolution](#).

**Department of Labor and Industries** – If your business is a contractor, send written notice to L&I's Contractor's Registration Division notifying of the business closure. Your contractor bond must remain in effect for 2 years beyond the contractor registration date.

**Liquor and Cannabis Board** – If your business sold liquor, marijuana, tobacco or vapor products, contact your enforcement officer with notification of the closure.

**Department of Health or Professional Services** – if your business is licensed through the Department of Health or is a profession licensed through the Department of Licensing, contact the appropriate department to notify it of your closure.

**State Certified Businesses** – If your business is designated as a minority or women owned business or a veteran owned business, contact those offices to remove your company from the directory and list of such businesses

**Local** – Notify all cities and counties where you do business and complete any final local tax returns.

**Notify other interested parties** – Notify all owners, employees, landlords, customers, suppliers, vendors, insurers, lenders, service providers and any other interested parties of the closure.

If your business is a corporation or LLC, then it is required to notify any creditors of the dissolution and provide the creditors with information to submit claims against the business.

***FOLLOWING THE CLOSURE OF YOUR BUSINESS, THE ADDITIONAL FINAL REPORTING IS REQUIRED:***

- Complete your final DOR [Excise Tax Return](#) within 10 days of business closure.
- If inventory is being converted to personal use, pay [use tax](#) on the cost of the inventory (unless sales tax was paid previously).
- Complete your final Employment Security Department [Quarterly Report](#) within 10 days of closing your business.
- Complete your final Paid Family and Medical Leave [quarterly report](#).
- Complete your final Labor and Industries [Quarterly Report](#).
- Keep your business records for 5 years in case you are audited.

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