



REV-252 CM (11-04)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
BUREAU OF COMPLIANCE
OUT OF EXISTENCE/MERGER SECTION
PO BOX 280947
HARRISBURG PA 17128-0947

TAX BULLETIN 53C

**PROCEDURES FOR SECURING CLEARANCE CERTIFICATES
FOR PENNSYLVANIA CORPORATIONS FORMALLY DISSOLVING THROUGH
THE PA DEPARTMENT OF STATE**

Pennsylvania corporations desiring to dissolve their charter must first obtain a clearance certificate from the PA Department of Revenue and the PA Department of Labor and Industry, certifying that all tax reports/returns have been filed and all taxes (including interest, penalties, fees, charges and other liabilities) have been paid. To obtain a tax clearance certificate from the Department of Revenue, the corporation must:

1. File all state tax reports/returns and pay all taxes (including interest, penalties, fees, charges and other liabilities) due to the Commonwealth up to and including the date all assets were liquidated and distributed to shareholders.
2. Attach a Distribution of Assets Schedule showing complete divestiture of assets to the final reports/returns. Where distribution of assets is made in-kind to stockholders, attach a copy of the Federal Form 1099-DIV to the Distribution of Assets Schedule.
3. Where assets are sold prior to the liquidation, attach a copy of the Schedule D filed with your federal return. If an exemption is being claimed for capital gains realized under Section 337A of the Internal Revenue Code of 1954, also attach a declaration to the schedule.

This tax clearance certificate is issued for the sole purpose of presentation to the Department of State with the final Articles of Dissolution.

NOTE: If there has been a sale of assets prior to the dissolution, in addition to a tax clearance certificate, you should also request a bulk sales clearance certificate.

To obtain a Tax Clearance Certificate from the Department of Revenue, the corporation must complete the Application for Tax Clearance Certificate (Form **REV-181**). Additional instructions and mailing addresses are available on Instructions for Securing a Tax Clearance Certificate for Filing with Department of State (Form **REV-181I**).

These forms can be downloaded from the PA Department's Web site at: www.revenue.state.pa.us or can be ordered through the Forms Ordering Service by dialing toll-free: 1-800-362-2050.



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TAX BULLETIN 53E

PROCEDURES FOR DOMESTIC CORPORATIONS DESIRING TO BE MARKED OUT OF EXISTENCE ON THE RECORDS OF THE PA DEPARTMENT OF REVENUE

Pennsylvania corporations that have: ceased doing business and do not own or report any assets or have never transacted business or held any title to assets may be relieved of the responsibility of filing corporation tax reports/returns by filing an Out of Existence/Withdrawal Affidavit (REV-238).

The advantage of filing the affidavit is that the corporate charter is not affected, the requirements and expense of a formal dissolution are eliminated and the corporation may be reactivated later. Following the effective date on which a corporation is marked Out of Existence, no reports/returns or payments are required until, if ever, the corporation is reactivated.

The disadvantage is that the corporate name becomes available for release by the PA Department of State. To qualify for the Out of Existence status, the corporation must:

1. Execute and forward the Out of Existence/Withdrawal Affidavit (REV-238) to:
PA DEPARTMENT OF REVENUE
BUREAU OF COMPLIANCE
OUT OF EXISTENCE/MERGER SECTION
PO BOX 280947
HARRISBURG PA 17128-0947
2. File all corporate tax reports/returns and pay all taxes (including interest, penalties, fees, charges and other liabilities) due to the Commonwealth up to and including the date that all activities ceased and assets were liquidated and distributed to shareholders. Where capital assets have been sold prior to liquidation, complete in detail a schedule reflecting the gain or loss realized as a result of the sale, and indicate if non-recognition of the gain or loss is being claimed under the provisions of Section 337 of the Internal Revenue Code of 1954.
3. Include with the corporate tax reports/returns a Distribution of Assets Schedule, which reflects the date or dates of divestiture. If a distribution of assets is made directly by the corporation to its shareholders in return for their stock, attach a copy of Federal Form 1099-DIV.

Note: If you are filing a final RCT-101 corporate report for the year 2002 and forward, complete the *Corporate Status Change* section of the RCT-101 in lieu of filing an Out of Existence/Withdrawal Affidavit.

REQUIREMENTS FOR REINSTATING THE ACCOUNT OF DOMESTIC CORPORATIONS TO ACTIVE STATUS

Pennsylvania corporations that have been marked *out of existence* must be reinstated on the Department of Revenue's records before the corporation can reopen and operate in Pennsylvania. To reinstate a corporation, you should file inactive corporate reports/returns for each tax period that the corporation was inactive (form RCT-101I). Each tax report/return must contain an original signature. The minimum tax is waived for the years covered by the inactive reports/returns. Write the word "Reinstatement" on the top of each inactive corporate tax report. Attach a letter to the reports/returns indicating the effective date of your reinstatement, your Corporate Account Number and your Federal Employer Identification Number.
