

## WHAT DOES IT MEAN THAT A BUSINESS ENTITY IS NOT IN GOOD STANDING OR FORFEITED?

**“Not in Good Standing”** means the business entity is not in compliance with one or more Maryland laws that apply to businesses and their responsibilities in this State. Only business entities that are active can have a good standing status, so a business that has been voluntarily terminated will also show “not in good standing” because it is no longer active.

The status can be returned to Good Standing by addressing the manner in which the business is out of compliance. If a business was voluntarily terminated, it cannot return to good standing because a voluntary termination is permanent.

The most common reasons that a business is not in good standing are

- A missing Annual Report and Business Personal Property Return, also called a Form 1
- A monetary penalty resulting from the late filing of a Form 1
- A check or other form of payment that was dishonored
- Not having an active resident agent
- An issue with the [Maryland Office of the Comptroller](#)
- An issue with the [Maryland Department of Labor](#)

For missing Annual Reports and Business Personal Property Returns, mail or hand deliver the Form 1 to our Baltimore office. Prior years' returns as well as the current year return, can usually be filed online at <https://egov.maryland.gov/businessexpress>. A blank [Form 1 for years prior to 2020](#) is also available on our website under “Forms and Applications.” The 2020 Form 1 is available [here](#).

For late filing penalties, fastest and easiest method is to pay the penalty through [the Maryland Business Express](#). Otherwise, to pay a late filing penalty, send a check or money order for the amount of the penalty to us or bring the payment to our Baltimore office. If mailing, include the [MD SDAT identification number](#) and either a cover letter, a copy of the penalty notice or a copy of the business entity's Personal Property tab from the [business entity search on our website](#).

Some late filing penalties are referred to Maryland's [Central Collection Unit, \(CCU\)](#). Once a penalty is referred for collections, it cannot be paid through SDAT. If this is the case, you must pay the penalty directly to CCU. If the business entity is in forfeiture, provide written proof of payment to CCU to SDAT at the time you file your revival or reinstatement paperwork.

For issues with the [Maryland Office of the Comptroller](#), call 410-649-0633

For issues with the [Maryland Department of Labor](#), call 410-767-2416 or email [dluicdlegalcollections-labor@maryland.gov](mailto:dluicdlegalcollections-labor@maryland.gov).

Filings can be made by mail or by visiting our Baltimore Office at 301 West Preston Street, Baltimore, Maryland 21201, Room 801. If you have further questions, please contact the Charter Legal Department by e-mailing [SDAT.charterhelp@maryland.gov](mailto:SDAT.charterhelp@maryland.gov)

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If the business does not have a current resident agent, file a [Resolution](#) that appoints one. The form is on our website under “Forms and Applications.” Resolutions may also be filed online through the [Maryland Business Express](#).

For dishonored checks, the original amount of the payment plus a \$30 returned check fee must be paid either by money order, certified check or cash. **Once a payment has been dishonored, this Department will no longer accept checks for filings by this business entity.**

“**Forfeited**” means the right of the entity to conduct business in the State of Maryland has been relinquished and it has no right to use its name. For domestic corporations, this also means that the business has no existence under the laws of the State of Maryland. In most circumstances, a business is forfeited only after it has been “not in good standing” for a period of time, so the most common reasons for forfeiture are the same as the reasons businesses fall out of good standing.

To learn the reason for the entity’s forfeited status, use the [business entity search](#) on our website and then click on the tab that says “Filing History” after you find the business in your search results. Next to the entry that says “Dept. Action - Forfeiture,” click on the blue icon to learn the reason for the entity’s forfeiture.

See the status and the publicly available records pertaining to any registered business entity by using the SDAT Business search: <https://egov.maryland.gov/BusinessExpress/EntitySearch>

In addition to correcting the reason for the forfeiture, for a business to return to good standing from forfeited status, all forfeited entities must be up to date on the required Annual Report and Business Personal Property Returns, have paid all outstanding penalties and must file a document with SDAT to renew its good standing.

Each business structure must file a different form, as indicated below:

Maryland Corporations: [Articles of Revival](#)

Maryland LLCs: [Articles of Reinstatement](#)

Maryland LLPs: [Certificate of Reinstatement](#)

Maryland LPs: [Certificate of Reinstatement](#)

Maryland Religious Corporations: [Articles of Revival for Religious Corp.](#)

Foreign Corporations: [Re-Qualification](#) for a Non-Maryland Corporation\*

Foreign LLCs: [Re-Registration](#) for a Non-Maryland LLC\*

Foreign LLPs: [Re-Registration](#) for a Non-Maryland LLP\*

Foreign LPs: [Re-Registration](#) for a Non-Maryland LP\*

\* The same form is used for initial registrations/qualification as for reinstating the entity’s right to do business in Maryland.

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For domestic entities that have reported property subject to assessment on a Form 1 (now or in the past), the entity must also provide a Tax Clearance Certificate from each local jurisdiction in which property has been reported. To obtain the certificate, contact the [finance office for the county, city or town to which the taxes were due](#) and ensure the outstanding taxes have been paid. Then you must *specifically request* the tax clearance certificate as many jurisdictions will not provide one automatically. Receipts for payment and/or emails are insufficient to demonstrate tax clearance to SDAT.

If you are attempting to revive or reinstate a business entity that has an issue with the Office of the Comptroller, the Department of Labor and/or after having a penalty referred to Central Collections, you must include evidence of having resolved the issue with your reinstatement or revival paperwork.