

Business filings change January 1

Save clients money by timing to minimize state filing fees

The new Texas Business Organizations Code (TBOC) takes effect January 1.

The TBOC raises certain state filing fees by as much as \$875 while lowering others substantially. You may be able to save money for your clients by timing filings with rising fees before year's end or delaying until after Jan. 1 for filings with fees set to drop.

Lawyer's Aid Service is ready to assist with TBOC-timed filings and provide TBOC-compliant Company Outfits.

Actions to consider taking in December

After Jan. 1, conversion of a corporation or LLC to a professional association rises from \$325 to \$1100. The state will charge

Selected state fees set to rise

	2005	2006
Form a PA	\$225	\$775
Form an LLC	\$225	\$325
Register an out-of-state LLC	\$525	\$775
Amend an LLC	\$125	\$175
Merge an LP or LLC	\$225	\$325
Convert an entity	rises by \$300-\$875	

Amounts include \$25 state expedite fee.

\$550 more to form a PA in Texas and \$100 more to form an LLC. All LLC filings, in fact, will rise to the same fees as set for equivalent corporate filings.

Ending after December is a loophole by which a limited partnership can be formed for \$325 less than its current formation fee (\$775) by instead forming an LLC (\$225), then converting it to an LP (\$225).

The TBOC automatically governs entities formed or registered after Jan. 1 and LLPs starting at their 2006 renewal of registration. The state fee changes apply Jan. 1 to all entities, old and new.

Actions to consider deferring until January

Many limited partnership filings will cost less after Jan. 1.

Selected state fees that go down

	2005	2006
Correct an LP	\$225	\$40
Amend an LP	\$225	\$175
Terminate an LP	\$225	\$65
Cancel an out-of-state LP	\$225	\$40

Amounts include \$25 state expedite fee.

The TBOC offers a one-time opportunity for out-of-state entities that have been doing business in Texas without ever registering. During an amnesty period, Jan. 1 to 30, these businesses may "get legal" and register with the state without having to pay direct or indirect penalties.

Lawyer's Aid can help with amnesty filings.

Not only filing fees but also filing requirements will change (learn more at www.LawyersAidService.com). For example, non-US LPs will now need to register, and all out-of-state entities will be subject to late filing penalties.

TBOC-optimized outfits and documents

To help navigate the new filing requirements, fees, and terminology, Lawyer's Aid Service is creating a slate of filing documents that are TBOC-ready and updating its Deluxe Company Outfits for LLCs, corporations, PCs, PLLCs, and non-profits.

Client Interview Checklists, downloadable at LawyersAidService.com, will remain a convenient way to form a new business, order your outfit, or arrange professional registered-agent service.

For more about the coming TBOC fee and filing changes, visit LawyersAidService.com.

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