

AMENDED IN ASSEMBLY APRIL 24, 2002

AMENDED IN ASSEMBLY APRIL 1, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2791

Introduced by Assembly Member Migden

February 25, 2002

An act to amend ~~Section 15621~~ *Sections 15621, 15692, 16953, 16959, 17050, and 17451* of the Corporations Code, and to amend Sections 17941 and 17948 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2791, as amended, Migden. Income taxes: limited liability companies: limited liability partnerships.

The Personal Income Tax Law requires every limited liability company ~~and~~, limited liability partnership, *foreign limited partnership, foreign limited liability partnership, or foreign limited liability company* doing business in this state to pay annually a tax for the privilege of doing business in this state.

This bill would, if a ~~taxpayer~~ *limited liability company or limited liability partnership* files a return that is designated as its final return, require the Franchise Tax Board to notify the taxpayer that the annual tax continues to be due annually until a certificate of cancellation is filed with the Secretary of State.

Existing law requires the filing of certificates of limited partnership, *foreign limited partnership, foreign limited liability partnership, or foreign limited liability company* in the office of the Secretary of State

in order to form a limited partnership, *foreign limited partnership, foreign limited liability partnership, or foreign limited liability company.*

This bill would require the Secretary of State to provide notice that the filing of the certificate will obligate the limited partnership, *foreign limited partnership, foreign limited liability partnership, or foreign limited liability company* to pay an annual tax, *for the taxable year*, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15621 of the Corporations Code is
 2 amended to read:
 3 15621. (a) In order to form a limited partnership the general
 4 partners shall execute, acknowledge, and file a certificate of
 5 limited partnership and, either before or after the filing of a
 6 certificate, the partners shall have entered into a partnership
 7 agreement. The certificate shall be filed in the office of, and on a
 8 form prescribed by, the Secretary of State and shall set forth all of
 9 the following:
 10 (1) The name of the limited partnership.
 11 (2) The street address of the principal executive office.
 12 (3) The names and addresses of the general partners.
 13 (4) The name and address of the agent for service of process
 14 required to be maintained by Section 15614, unless a corporate
 15 agent is designated, in which case only the name of the agent shall
 16 be set forth.
 17 (5) Any other matters the person filing the certificate
 18 determines to include.
 19 (b) A limited partnership is formed at the time of the filing of
 20 the certificate of limited partnership in the office of the Secretary
 21 of State. There shall be no requirement that any partner have a
 22 preexisting relationship with any other partner in order to form a
 23 limited partnership.
 24 (c) For all purposes, a copy of the certificate of limited
 25 partnership duly certified by the Secretary of State is conclusive
 26 evidence of the formation of a limited partnership and prima facie
 27 evidence of its existence.



1 (d) A limited partnership may record in the office of the county
2 recorder of any county in this state a certified copy of the
3 certificate of limited partnership, or any amendment thereto,
4 which has been filed in the office of the Secretary of State. A
5 foreign limited partnership may record in the office of the county
6 recorder of any county in the state a certified copy of the
7 application for registration, together with the certificate of
8 registration, referred to in Section 15692, or any amendment
9 thereto, which has been filed in the office of the Secretary of State.
10 The recording shall create a conclusive presumption in favor of
11 any bona fide purchaser or encumbrancer for value of the
12 partnership real property located in the county in which the
13 certified copy has been recorded, that the persons named as general
14 partners therein are the general partners of the partnership named
15 and that they are all of the general partners of the partnership, and
16 the recording shall also create such other presumptions as provided
17 in Section 15010.5.

18 (e) The Secretary of State may cancel the filing of certificates
19 of limited partnership if a check or other remittance accepted in
20 payment of the filing fee is not paid upon presentation. Upon
21 receiving written notification that the item presented for payment
22 has not been honored for payment, the Secretary of State shall give
23 a first written notice of the applicability of this section to the agent
24 for service of process or to the person submitting the instrument.
25 Thereafter, if the amount has not been paid by cashier's check or
26 equivalent, the Secretary of State shall give a second written notice
27 of cancellation and the cancellation shall thereupon be effective.
28 The second notice shall be given 20 days or more after the first
29 notice and 90 days or less after the original filing.

30 (f) The Secretary of State shall include with instructional
31 materials, provided in conjunction with the form for filing a
32 certificate of limited partnership under subdivision (a), a notice
33 that the filing of the certificate of limited partnership will obligate
34 the limited partnership to pay an annual tax for that ~~calendar~~
35 *taxable* year to the Franchise Tax Board pursuant to Section 17935
36 of the Revenue and Taxation Code. That notice shall be updated
37 annually to specify the dollar amount of the annual tax.

38 SEC. 2. *Section 15692 of the Corporations Code is amended*
39 *to read:*



1 15692. Before transacting intrastate business in this state, a
2 foreign limited partnership shall register with the Secretary of
3 State. In order to register, a foreign limited partnership shall
4 submit to the Secretary of State an application for registration as
5 a foreign limited partnership, signed and acknowledged by a
6 general partner on a form prescribed by the Secretary of State and
7 setting forth all of the following:

8 (a) The name of the foreign limited partnership and, if
9 different, the name under which it proposes to register and transact
10 business in this state.

11 (b) The state or country and date of its formation and a
12 statement that the foreign limited partnership is authorized to
13 exercise its powers and privileges in such state or country of
14 formation.

15 (c) The name and address of an agent for service of process on
16 the foreign limited partnership meeting the qualifications
17 specified in paragraph (1) of subdivision (d) of Section 15627.

18 (d) A statement that the Secretary of State is appointed the
19 agent of the foreign limited partnership for service of process if the
20 agent has resigned and has not been replaced or if the agent cannot
21 be found or served with the exercise of reasonable diligence.

22 (e) The address of the principal executive office of the foreign
23 limited partnership and of its principal office in this state, if any.

24 (f) The names and business or residence addresses of the
25 general partners.

26 (g) The Secretary of State may cancel the application and
27 certificate of registration of a foreign limited partnership if a check
28 or other remittance accepted in payment of the filing fee is not paid
29 upon presentation. Upon receiving written notification that the
30 item presented for payment has not been honored for payment, the
31 Secretary of State shall give a first written notice of the
32 applicability of this section to the agent for service of process or
33 to the person submitting the instrument. Thereafter, if the amount
34 has not been paid by cashier's check or equivalent, the Secretary
35 of State shall give a second written notice of cancellation and the
36 cancellation shall thereupon be effective. The second notice shall
37 be given 20 days or more after the first notice and 90 days or less
38 after the original filing.

39 (h) *The Secretary of State shall include with instructional*
40 *materials, provided in conjunction with registering as a foreign*



1 *limited partnership, a notice that registration under this section*
2 *will obligate the limited partnership to pay an annual tax for that*
3 *taxable year to the Franchise Tax Board pursuant to Section 17935*
4 *of the Revenue and Taxation Code. That notice shall be updated*
5 *annually to specify the dollar amount of the annual tax.*

6 SEC. 3. Section 16953 of the Corporations Code is amended
7 to read:

8 16953. (a) To become a registered limited liability
9 partnership, a partnership, other than a limited partnership, shall
10 file with the Secretary of State a registration, executed by one or
11 more partners authorized to execute a registration, stating all of the
12 following:

13 (1) The name of the partnership.

14 (2) The address of its principal office.

15 (3) The name and address of the agent for service of process on
16 the limited liability partnership in California.

17 (4) A brief statement of the business in which the partnership
18 engages.

19 (5) Any other matters that the partnership determines to
20 include.

21 (6) That the partnership is registering as a registered limited
22 liability partnership.

23 (b) The registration shall be accompanied by a fee as set forth
24 in subdivision (a) of Section 12189 of the Government Code.

25 (c) The Secretary of State shall register as a registered limited
26 liability partnership any partnership that submits a completed
27 registration with the required fee.

28 (d) The Secretary of State may cancel the filing of the
29 registration if a check or other remittance accepted in payment of
30 the filing fee is not paid upon presentation. Upon receiving written
31 notification that the item presented for payment has not been
32 honored for payment, the Secretary of State shall give a first
33 written notice of the applicability of this section to the agent for
34 service of process or to the person submitting the instrument.
35 Thereafter, if the amount has not been paid by cashier's check or
36 equivalent, the Secretary of State shall give a second written notice
37 of cancellation and the cancellation shall thereupon be effective.
38 The second notice shall be given 20 days or more after the first
39 notice and 90 days or less after the date of the original filing.



1 (e) A partnership becomes a registered limited liability
2 partnership at the time of the filing of the initial registration with
3 the Secretary of State or at any later date or time specified in the
4 registration and the payment of the fee required by subdivision (b).
5 A partnership continues as a registered limited liability partnership
6 until a notice that it is no longer a registered limited liability
7 partnership has been filed pursuant to subdivision (b) of Section
8 16954 or, if applicable, until it has been dissolved and finally
9 wound up. The status of a partnership as a registered limited
10 liability partnership and the liability of a partner of the registered
11 limited liability partnership shall not be adversely affected by
12 errors or subsequent changes in the information stated in a
13 registration under subdivision (a) or an amended registration or
14 notice under Section 16954.

15 (f) The fact that a registration or amended registration pursuant
16 to this section is on file with the Secretary of State is notice that the
17 partnership is a registered limited liability partnership and of those
18 other facts contained therein that are required to be set forth in the
19 registration or amended registration.

20 (g) The Secretary of State shall provide a form for a registration
21 under subdivision (a), which shall include the form for confirming
22 compliance with the optional security requirement pursuant to
23 subdivision (c) of Section 16956. The Secretary of State shall
24 include with instructional materials provided in conjunction with
25 the form for a registration under subdivision (a) a notice that filing
26 the registration will obligate the limited liability partnership to pay
27 an annual tax for that ~~calendar~~ *taxable* year to the Franchise Tax
28 Board pursuant to Section 17948 of the Revenue and Taxation
29 Code. ~~The~~ *That* notice shall be updated annually to specify the
30 dollar amount of the tax.

31 (h) A limited liability partnership providing professional
32 limited liability partnership services in this state shall comply with
33 all statutory and administrative registration or filing requirements
34 of the state board, commission, or other agency that prescribes the
35 rules and regulations governing the particular profession in which
36 the partnership proposes to engage, pursuant to the applicable
37 provisions of the Business and Professions Code relating to that
38 profession. The state board, commission, or other agency shall not
39 disclose, unless compelled by a subpoena or other order of a court
40 of competent jurisdiction, any information it receives in the course



1 of evaluating the compliance of a limited liability partnership with
2 applicable statutory and administrative registration or filing
3 requirements, provided that nothing in this section shall be
4 construed to prevent a state board, commission, or other agency
5 from disclosing the manner in which the limited liability
6 partnership has complied with the requirements of Section 16956,
7 or the compliance or noncompliance by the limited liability
8 partnership with any other requirements of the state board,
9 commission, or other agency.

10 *SEC. 4. Section 16959 of the Corporations Code is amended*
11 *to read:*

12 16959. (a) (1) Before transacting intrastate business in this
13 state, a foreign limited liability partnership shall comply with all
14 statutory and administrative registration or filing requirements of
15 the state board, commission, or agency that prescribes the rules
16 and regulations governing a particular profession in which the
17 partnership proposes to be engaged, pursuant to the applicable
18 provisions of the Business and Professions Code relating to the
19 profession or applicable rules adopted by the governing board. A
20 foreign limited liability partnership that transacts intrastate
21 business in this state shall within 30 days after the effective date
22 of the act enacting this section or the date on which the foreign
23 limited liability partnership first transacts intrastate business in
24 this state, whichever is later, register with the Secretary of State by
25 submitting to the Secretary of State an application for registration
26 as a foreign limited liability partnership, signed by a person with
27 authority to do so under the laws of the jurisdiction of formation
28 of the foreign limited liability partnership, stating the name of the
29 partnership, the address of its principal office, the name and
30 address of its agent for service of process in this state, a brief
31 statement of the business in which the partnership engages, and
32 any other matters that the partnership determines to include.

33 (2) Annexed to the application for registration shall be a
34 certificate from an authorized public official of the foreign limited
35 liability partnership's jurisdiction of organization to the effect that
36 the foreign limited liability partnership is in good standing in that
37 jurisdiction, if the laws of that jurisdiction permit the issuance of
38 those certificates, or, in the alternative, a statement by the foreign
39 limited liability partnership that the laws of its jurisdiction of
40 organization do not permit the issuance of those certificates.



1 (b) The registration shall be accompanied by a fee as set forth
2 in subdivision (b) of Section 12189 of the Government Code.

3 (c) The Secretary of State shall register as a foreign limited
4 liability partnership any partnership that submits a completed
5 application for registration with the required fee.

6 (d) The Secretary of State may cancel the filing of the
7 registration if a check or other remittance accepted in payment of
8 the filing fee is not paid upon presentation. Upon receiving written
9 notification that the item presented for payment has not been
10 honored for payment, the Secretary of State shall give a first
11 written notice of the applicability of this section to the agent for
12 service of process or to the person submitting the instrument.
13 Thereafter, if the amount has not been paid by cashier's check or
14 equivalent, the Secretary of State shall give a second written notice
15 of cancellation and the cancellation shall thereupon be effective.
16 The second notice shall be given 20 days or more after the first
17 notice and 90 days or less after the original filing.

18 (e) A partnership becomes registered as a foreign limited
19 liability partnership at the time of the filing of the initial
20 registration with the Secretary of State or at any later date or time
21 specified in the registration and the payment of the fee required by
22 subdivision (b). A partnership continues to be registered as a
23 foreign limited liability partnership until a notice that it is no
24 longer so registered as a limited liability partnership has been filed
25 pursuant to Section 16960 or, if applicable, once it has been
26 dissolved and finally wound up. The status of a partnership
27 registered as a foreign limited liability partnership and the liability
28 of a partner of that foreign limited liability partnership shall not be
29 adversely affected by errors or subsequent changes in the
30 information stated in an application for registration under
31 subdivision (a) or an amended registration or notice under Section
32 16960.

33 (f) The fact that a registration or amended registration pursuant
34 to Section 16960 is on file with the Secretary of State is notice that
35 the partnership is a foreign limited liability partnership and of
36 those other facts contained therein that are required to be set forth
37 in the registration or amended registration.

38 (g) The Secretary of State shall provide a form for a registration
39 under subdivision (a), which shall include the form for confirming
40 compliance with the optional security requirement pursuant to



1 subdivision (c) of Section 16956. *The Secretary of State shall*
2 *include with instructional materials, provided in conjunction with*
3 *the form for registration under subdivision (a), a notice that filing*
4 *the registration will obligate the limited liability partnership to*
5 *pay an annual tax for that taxable year to the Franchise Tax Board*
6 *pursuant to Section 17948 of the Revenue and Taxation Code. That*
7 *notice shall be updated annually to specify the dollar amount of*
8 *this tax.*

9 (h) A foreign limited liability partnership transacting intrastate
10 business in this state shall not maintain any action, suit, or
11 proceeding in any court of this state until it has registered in this
12 state pursuant to this section.

13 (i) Any foreign limited liability partnership that transacts
14 intrastate business in this state without registration is subject to a
15 penalty of twenty dollars (\$20) for each day that unauthorized
16 intrastate business is transacted, up to a maximum of ten thousand
17 dollars (\$10,000).

18 (j) A partner of a foreign limited liability partnership is not
19 liable for the debts or obligations of the foreign limited liability
20 partnership solely by reason of its having transacted business in
21 this state without registration.

22 (k) A foreign limited liability partnership, transacting business
23 in this state without registration, appoints the Secretary of State as
24 its agent for service of process with respect to causes of action
25 arising out of the transaction of business in this state.

26 (l) “Transact intrastate business” as used in this section means
27 to repeatedly and successively provide professional limited
28 liability partnership services in this state, other than in interstate
29 or foreign commerce.

30 (m) Without excluding other activities that may not be
31 considered to be transacting intrastate business, a foreign limited
32 liability partnership shall not be considered to be transacting
33 intrastate business merely because its subsidiary or affiliate
34 transacts intrastate business, or merely because of its status as any
35 one or more of the following:

- 36 (1) A shareholder of a domestic corporation.
- 37 (2) A shareholder of a foreign corporation transacting
38 intrastate business.
- 39 (3) A limited partner of a foreign limited partnership
40 transacting intrastate business.



1 (4) A limited partner of a domestic limited partnership.

2 (5) A member or manager of a foreign limited liability
3 company transacting intrastate business.

4 (6) A member or manager of a domestic limited liability
5 company.

6 (n) Without excluding other activities that may not be
7 considered to be transacting intrastate business, a foreign limited
8 liability partnership shall not be considered to be transacting
9 intrastate business within the meaning of this subdivision solely by
10 reason of carrying on in this state any one or more of the following
11 activities:

12 (1) Maintaining or defending any action or suit or any
13 administrative or arbitration proceeding, or effecting the
14 settlement thereof or the settlement of claims or disputes.

15 (2) Holding meetings of its partners or carrying on any other
16 activities concerning its internal affairs.

17 (3) Maintaining bank accounts.

18 (4) Maintaining offices or agencies for the transfer, exchange,
19 and registration of the foreign limited liability partnership's
20 securities or maintaining trustees or depositories with respect to
21 those securities.

22 (5) Effecting sales through independent contractors.

23 (6) Soliciting or procuring orders, whether by mail or through
24 employees or agents or otherwise, where those orders require
25 acceptance without this state before becoming binding contracts.

26 (7) Creating or acquiring evidences of debt or mortgages, liens,
27 or security interest in real or personal property.

28 (8) Securing or collecting debts or enforcing mortgages and
29 security interests in property securing the debts.

30 (9) Conducting an isolated transaction that is completed within
31 180 days and not in the course of a number of repeated transactions
32 of a like nature.

33 (o) A person shall not be deemed to be transacting intrastate
34 business in this state merely because of its status as a partner of a
35 registered limited liability partnership or a foreign limited liability
36 company whether or not registered to transact intrastate business
37 in this state.

38 (p) The Attorney General may bring an action to restrain a
39 foreign limited liability partnership from transacting intrastate
40 business in this state in violation of this chapter.



1 (q) Nothing in this section is intended to, or shall, augment,
2 diminish, or otherwise alter existing provisions of law, statutes, or
3 court rules relating to services by a California architect, California
4 public accountant, or California attorney in another jurisdiction,
5 or services by an out-of-state architect, out-of-state public
6 accountant, or out-of-state attorney in California.

7 *SEC. 5. Section 17050 of the Corporations Code is amended*
8 *to read:*

9 17050. (a) In order to form a limited liability company, one
10 or more persons shall execute and file articles of organization with,
11 and on a form prescribed by, the Secretary of State and, either
12 before or after the filing of articles of organization, the members
13 shall have entered into an operating agreement. The person or
14 persons who execute and file the articles of organization may, but
15 need not, be members of the limited liability company.

16 (b) A limited liability company shall have one or more
17 members.

18 (c) The existence of a limited liability company begins upon
19 the filing of the articles of organization. For all purposes, a copy
20 of the articles of organization duly certified by the Secretary of
21 State is conclusive evidence of the formation of a limited liability
22 company and prima facie evidence of its existence.

23 (d) The Secretary of State shall include with instructional
24 materials provided in conjunction with the form for filing articles
25 of organization under subdivision (a) a notice that filing the
26 registration will obligate the limited liability company to pay an
27 annual tax for that ~~calendar~~ *taxable* year to the Franchise Tax
28 Board pursuant to Section 17941 of the Revenue and Taxation
29 Code. ~~The~~ *That* notice shall be updated annually to specify the
30 dollar amount of the tax.

31 *SEC. 6. Section 17451 of the Corporations Code is amended*
32 *to read:*

33 17451. (a) Before transacting intrastate business in this state,
34 a foreign limited liability company shall register with the
35 Secretary of State. In order to register, a foreign limited liability
36 company shall submit to the Secretary of State an application for
37 registration as a foreign limited liability company, signed by a
38 person with authority to do so under the laws of the state of its
39 organization, on a form prescribed by the Secretary of State and
40 setting forth:



1 (1) The name of the foreign limited liability company and, if
2 different, the name under which it proposes to transact business in
3 this state.

4 (2) The state and date of its organization and a statement that
5 the foreign limited liability company is authorized to exercise its
6 powers and privileges in that state.

7 (3) The name and address of an agent for service of process on
8 the foreign limited liability company meeting the qualifications
9 specified in paragraph (1) of subdivision (d) of Section 17061,
10 unless a corporate agent is designated, in which case only the name
11 of the agent shall be set forth.

12 (4) A statement that the Secretary of State is appointed the
13 agent of the foreign limited liability company for service of
14 process if the agent has resigned and has not been replaced or if the
15 agent cannot be found or served with the exercise of reasonable
16 diligence.

17 (5) The address of the principal executive office of the foreign
18 limited liability company and of its principal office in this state, if
19 any.

20 (b) Annexed to the application for registration shall be a
21 certificate from an authorized public official of the foreign limited
22 liability company's jurisdiction of organization to the effect that
23 the foreign limited liability company is in good standing in that
24 jurisdiction, if the laws of that jurisdiction permit the issuance of
25 those certificates; or, in the alternative, a statement by the foreign
26 limited liability company that the laws of its jurisdiction of
27 organization do not permit the issuance of those certificates.

28 (c) The Secretary of State may cancel the application and
29 certificate of registration of a foreign limited liability company if
30 a check or other remittance accepted in payment of the filing fee
31 is not paid upon presentation. Upon receiving written notification
32 that the item presented for payment has not been honored for
33 payment, the Secretary of State shall give a first written notice of
34 the applicability of this section to the agent for service of process
35 or to the person submitting the instrument. Thereafter, if the
36 amount has not been paid by cashier's check or equivalent, the
37 Secretary of State shall give a second written notice of cancellation
38 and the cancellation shall thereupon be effective. The second
39 notice shall be given 20 days or more after the first notice and 90
40 days or less after the original filing.



1 (d) *The Secretary of State shall include with instructional*
2 *materials, provided in conjunction with registration under*
3 *subdivision (a), a notice that filing the registration will obligate*
4 *the limited liability company to pay an annual tax to the Franchise*
5 *Tax Board pursuant to Section 17941 of the Revenue and Taxation*
6 *Code. That notice shall be updated annually to specify the dollar*
7 *amount of the tax.*

8 SEC. 7. Section 17941 of the Revenue and Taxation Code is
9 amended to read:

10 17941. (a) For each taxable year beginning on or after
11 January 1, 1997, every limited liability company doing business
12 in this state (as defined in Section 23101) shall pay annually to this
13 state a tax for the privilege of doing business in this state in an
14 amount equal to the applicable amount specified in paragraph (1)
15 of subdivision (d) of Section 23153 for the taxable year.

16 (b) (1) In addition to any limited liability company which is
17 doing business in this state and is therefore subject to the tax
18 imposed by subdivision (a), for each taxable year beginning on or
19 after January 1, 1997, a limited liability company shall pay
20 annually the tax prescribed in subdivision (a) if articles of
21 organization have been accepted, or a certificate of registration has
22 been issued, by the office of the Secretary of State. The tax shall
23 be paid for each taxable year, or part thereof, until a certificate of
24 cancellation of registration or of articles of organization is filed on
25 behalf of the limited liability company with the office of the
26 Secretary of State.

27 (2) If a taxpayer files a return with the Franchise Tax Board that
28 is designated as its final return, the Franchise Tax Board shall
29 notify the taxpayer that the annual tax shall continue to be due
30 annually until a certificate of cancellation is filed with the
31 Secretary of State pursuant to Section 17356 or 17455 of the
32 Corporations Code.

33 (c) The tax assessed under this section shall be due and payable
34 on or before the 15th day of the fourth month of the taxable year.

35 (d) For purposes of this section, "limited liability company"
36 means any organization that is formed by one or more persons
37 under the law of this state, any other country, or any other state, as
38 a "limited liability company" and that is not taxable as a
39 corporation for California tax purposes.

40 ~~SEC. 3.—~~



1 SEC. 8. Section 17948 of the Revenue and Taxation Code is
2 amended to read:

3 17948. (a) For each taxable year beginning on or after
4 January 1, 1997, every limited liability partnership doing business
5 in this state (as defined in Section 23101) and required to file a
6 return under Section 18633 shall pay annually to the Franchise Tax
7 Board a tax for the privilege of doing business in this state in an
8 amount equal to the applicable amount specified in paragraph (1)
9 of subdivision (d) of Section 23153 for the taxable year.

10 (b) In addition to any limited liability partnership that is doing
11 business in this state and therefore is subject to the tax imposed by
12 subdivision (a), for each taxable year beginning on or after January
13 1, 1997, every registered limited liability partnership that has
14 registered with the Secretary of State pursuant to Section 16953 of
15 the Corporations Code and every foreign limited liability
16 partnership that has registered with the Secretary of State pursuant
17 to Section 16959 of the Corporations Code shall pay annually the
18 tax prescribed in subdivision (a). The tax shall be paid for each
19 taxable year, or part thereof, until any of the following occurs:

20 (1) A notice of cessation is filed with the Secretary of State
21 pursuant to subdivision (b) of ~~Sections~~ Section 16954 ~~and~~ or
22 16960 of the Corporations Code.

23 (2) A foreign limited liability partnership withdraws its
24 registration pursuant to subdivision (a) of Section 16960 of the
25 Corporations Code.

26 (3) The registered limited liability partnership or foreign
27 limited liability partnership has been dissolved and finally wound
28 up.

29 (c) The tax assessed under this section shall be due and payable
30 on the date the return is required to be filed under Section 18633.

31 (d) If a taxpayer files a return with the Franchise Tax Board that
32 is designated as its final return, the Franchise Tax Board shall
33 notify the taxpayer that the annual tax shall continue to be due
34 annually until a certificate of cancellation is filed with the
35 Secretary of State pursuant to Section 16954 or 16960 of the
36 Corporations Code.

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