LLC Dissolution Checklist

Action Checklist — ClearLegalTips.com (2026)

Close your LLC cleanly to stop fees and liability. Order matters — creditors get paid before owners, and the state filing comes last.

1. Decide & Document

[ ] Reviewed operating agreement dissolution procedure (or confirmed state default)
[ ] Held the member vote to dissolve
[ ] Signed and dated a written resolution / consent 2. Wind Up the Business
[ ] Stopped taking new work
[ ] Completed or assigned open contracts
[ ] Collected receivables and closed out projects 3. Notify Creditors & Pay Debts
[ ] Sent written notice to each known creditor
[ ] Published notice for unknown claims (if state offers it)
[ ] Paid valid creditor claims from business funds
[ ] Kept records of every payment and distribution 4. File Final Tax Returns — IRS
[ ] Filed final Form 1065 or 1120-S with 'final return' box and final K-1s (if applicable)
[ ] Filed Form 966 if the LLC elected corporate taxation
[ ] Filed final Form 941/944, issued final W-2s, deposited payroll taxes (if you had employees)
[ ] Issued final 1099-NEC forms to contractors (2026 threshold: $2,000)
[ ] Sent the IRS a letter to close the business account tied to the EIN 5. File Final Tax Returns — State
[ ] Filed final state income / franchise tax return, marked final
[ ] Filed final sales-tax return and closed the sales-tax account
[ ] Obtained tax clearance if the state requires it (e.g. Texas Certificate of Account Status) 6. Cancel Registrations, Licenses & Permits
[ ] Cancelled business licenses and seller's permits
[ ] Cancelled DBA / assumed names
[ ] Closed remaining state tax accounts 7. Distribute Assets
[ ] Confirmed all debts and taxes paid first
[ ] Distributed remaining assets by ownership percentage
[ ] All members signed the final accounting summary 8. File the Dissolution Document
[ ] Filed the dissolution / termination document with the state
[ ] Filed any final annual report and paid final state fees
[ ] Saved the stamped confirmation

[ ] Cancelled registered agent service after the filing was accepted 9. Withdraw From Other States

[ ] Filed a withdrawal in every state where the LLC held a foreign registration

[ ] Cancelled all out-of-state registered agent services Avoid These Mistakes

[ ] Did NOT walk away without filing (fees and taxes accrue until the record closes)

[ ] Did NOT distribute assets before paying debts

[ ] Did NOT leave final-return boxes unchecked

[ ] Did NOT forget foreign registrations, licenses, permits, or sales-tax accounts

[ ] Filed California's Certificate of Cancellation within 12 months of the final return

INSTRUCTIONS FOR USE

Work top to bottom — the sequence protects your personal liability shield. Wind up and pay creditors before members take distributions, mark every final return, and file the state dissolution document last. If you were registered in more than one state, withdraw from each of them too. This resource is provided by ClearLegalTips.com for general informational purposes only and does not constitute legal advice. Laws vary by state and change over time. Consult a licensed attorney for advice specific to your situation.