

2017 Instructions for Form FTB 3502

Nonprofit Corporation Request for Pre-Dissolution Tax Abatement

General Information

Beginning January 1, 2016, qualified nonprofit corporations can be administratively or voluntarily dissolved. There are three ways a nonprofit corporation can be dissolved:

- **Administrative dissolution** – Allows the Franchise Tax Board (FTB) to administratively dissolve a qualified nonprofit corporation that is suspended or forfeited for a period of more than 48 continuous months and is no longer in business.
- **Short form dissolution** – The California Secretary of State (SOS) will allow a short form dissolution for qualified nonprofit corporations that file for dissolution within 24 months from the date the articles of incorporation were filed.
- **Voluntary dissolution** – An officer or director can submit to the FTB a written request to abate unpaid qualified taxes, interest, and penalties prior to the dissolution of a qualified nonprofit organization. (California Revenue & Taxation Code Section 23156). Use form FTB 3502, Nonprofit Corporation Request for Pre-Dissolution Tax Abatement, to initiate the voluntary dissolution process.

In general, the request for voluntary dissolution is for qualified nonprofit corporations that are not able to dissolve through the normal dissolution process with the California SOS or the Attorney General's Office.

A Purpose

Use form FTB 3502, to request abatement of unpaid qualified taxes, interest, and penalties for the taxable years of a qualified nonprofit corporation that certifies it is not doing business and is not able to dissolve through the California SOS normal dissolution process. Information in the form may be shared with other California state agencies.

B Who May File

A qualified nonprofit corporation is a nonprofit corporation that has qualified to transact intrastate business in this state and that satisfies any of the following conditions:

1. Was operating and previously obtained tax-exempt status with the FTB and the tax-exempt status was revoked for failure to file a tax return or pay a balance due.
2. Was operating and previously obtained tax-exempt status with the Internal Revenue Service and the tax-exempt status was revoked for failure to file a tax return or notice.
3. Was never doing business after the time of its incorporation in this state.

C Where to File

Send the completed and signed form to:

EXEMPT ORGANIZATIONS UNIT MS F120
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

D What Happens Next

The qualified nonprofit corporation has 12 months from the date of the filing of form FTB 3502 to complete the dissolution process.

Upon approval of the filed form FTB 3502, the FTB will provide a notice to the qualified nonprofit corporation that it may request dissolution with the California SOS.

The qualified nonprofit corporation is required to submit a copy of the FTB notice with the appropriate California SOS forms.

You can find the instructions for completing the required California SOS filings. Go to sos.ca.gov or call the California SOS at 916.657.5448.

Upon completion of the dissolution process with the California SOS, the FTB will abate unpaid qualified taxes, interest, and penalties.

If the qualified corporation is not dissolved within 12 months from the date of filing the request for abatement or restarts business operations, the FTB will not abate qualified taxes, interest, and penalties.

E Questions About Filing

If the nonprofit corporation has questions about filing the form, write to:

EXEMPT ORGANIZATIONS UNIT MS F120
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

If you write to us, be sure to include the California corporation number or federal employer identification number (FEIN), your daytime and evening telephone numbers.

We will respond to your letter within 10 weeks. In some cases, we may need to call you for additional information.

F Telephone Assistance

If you have questions regarding form FTB 3502, call 916.845.4171, 7 a.m. to 4:30 p.m. weekdays, except state holidays.

Specific Line Instructions

Entity Information

Provide the following:

- California corporation number or SOS file number
- FEIN
- Corporation's legal name
- Corporation's address
- Representative's name
- Representative's address

Foreign Address – If the nonprofit corporation has a foreign address, follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

Question 6 – Provide details for any unusual circumstances including but not limited to: corporation created in error, organization continuing to operate under another corporation, or previous officers and directors are no longer affiliated with the corporation.

Question 7 – List the description and value of each asset still being held and the intended plan to distribute the assets.

Question 8 – List the description and value of the asset and the FEIN/SSN, name, telephone, and address of the organization/individual the assets were distributed.

Signature – Only an officer or director may sign the form.