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don't count, and be willing to be available during normal business hours to ...

Gail Perry • Apr. 17, 2015

If you have determined that you have nexus in a state, and you are paying taxes or incurring a tax liability in the state, you are required to have a registered agent in that state. It doesn't matter that you are taking care of all of your required tax filings on a timely basis. The registered agent is the person or business that has been designated to receive legal notifications on your behalf. (Note that having a registered agent in a state does not in itself constitute nexus in that state.)

The selection of a registered agent is not a trivial matter. This agent is required to have a physical address in the state (post office boxes and private rented mailboxes don't count) and be willing to be available during normal business hours to accept official state documents including any legal process, notice, or demand. The registered agent can also receive tax and other corporate information from the state. The registered agent can be a person or a business. The registered agent does not have to work for your company.

If you are an officer of your business and live in the state where you do business, you can be your own registered agent. Sometimes, however, companies hire registered agents even in their home state so that they are certain to receive any legal notices that have been served. Another reason to hire a registered agent in your own state is to protect the privacy of the business address. For example, businesses run from a home might not want the home address to be part of the business's public record.

When a company files for legal status in a state, including the license to collect and remit taxes, one of the items on the application form will be a request for the name and contact information of the registered agent within the state.

An alternative to asking someone you know to be your registered agent is to hire a

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The registered agent will accept any legal documents that are delivered to the agent's address on your behalf and forward them to you at whatever address you choose. Make sure the person or business you choose as your registered agent is a responsible entity whom you can trust. Legal documents should not be ignored, and if your agent neglects to forward legal notices to you and, as a result, you don't respond to those notices, you could be putting your business in jeopardy.

Failure to have a registered agent in a state in which you are doing business can result in your being prevented from doing business in that state and can also result in penalties.

Sales Tax • State and Local Taxes

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