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New York Company Annual Renewal and Maintenance Guidelines

After successfully registered in New York, the Corporation or LLC are required to operate in compliance with the General Corporation Law/Limited Liability Company Act of the State of New York. All Corporation and LLCs must have and maintain a Registered Agent, which has a physical street address in New York; must file Biennial Statement with the New York Department of State every two years; must renew the Business License/Permit periodically.

According to Federal and State tax rules, all active business registered in New York must file tax returns on time, including business income tax, sales tax, payroll tax and other relevant taxes returns.

The following four sections describe the New York company's renewal and maintenance services and fees. The first section is the information about New York annual renewal requirements, including biennial statement filing, registered office and registered agent and business license renewal.

The second section describes relevant tax filing services, including business income tax filing, sales tax, payroll tax filing and foreign person's U.S. source income subject to withholding tax. All U.S. companies are required to file tax returns on time to comply with tax laws.

The third section is the information about other maintenance services. Kaizen can provide high-quality audit service for you in compliance with accounting rules. Kaizen also offer bookkeeping service to develop and maintain your overall financial processes and management.

The fourth section summarize the above services and fees. The fees listed are based on estimation and only for your reference. The final service fee may be different according to actual circumstances.

Kaizen will send you the annual renewal notice and invoice two months before the due date via email. The service fee for the annual renewal includes provision the of registered office, registered agent, biennial statement fling fees, but not including business license renewal service. Kaizen will indicate the payment due date for renewal service on the notice, please be sure to pay the entire amount before the deadline, so that Kaizen can arrange further annual renewal process for your U.S. company. Kaizen shall not be liable for late penalty if Kaizen cannot receive the full service fee from you before the deadline.

1. Annual Renewal Requirements

(1) Biennial Statement

All active business activities registered at New York must file Biennial Statement with the New York Department of State every two year. The statement is due by the last day of the registration anniversary month.

The Biennial Statement must set forth: (i) the name and business address of its chief executive officer, (ii) the street address of its principal executive office and (iii) the address to which the New York Department of State shall forward copies of process accepted on behalf of the corporation.

(2) Registered Office and Registered Agent

New York law requires that every business entity must have and maintain a Registered Agent in the State of New York. The registered agent must have a physical street address in New York. Kaizen provides professional service to help you maintain and renew the registered agent annually.

(3) Business License/Permit Renewal (extra fee required)

Generally, the state and local license/permit registered in New York is required to be renewed every two year. The license expiration date is printed on the license.

Kaizen will send a renewal notice to you two months before the due date.

2. Tax Relevant Services

(1) Income Tax Filing

(a) Federal Income Tax Return

According to Internal Revenue Service (IRS), all business entities must file an income tax return on or before the following April 15th (Corporation) or March 15th (LLC) of the tax year, or Oct 15th (Corporation) or Sep 15th (LLC) with extension, if calendar year is applied on tax purpose. However, the business entity must pay the tax due in full no later than the original due date for filing its tax return (not including extensions). Interest and penalty will be charged on taxes paid late even if an extension of time to file is granted.

Note: LLC should file federal income tax return each year without paying any income tax based on pass-through principle. LLC can also choose to file as a Corporation, which should file and pay federal income tax each year.

(b) New York State Income Tax Return

Business entities incorporated or do business in New York State must file and pay business taxes. The tax is due on or before April 15.

New York corporations are subject to franchise tax and metropolitan transportation business (MTA) tax. The amount of the franchise tax is the highest of business income, business capital or fixed dollar minimum tax. MTA tax only applies to corporations that do business in the Metropolitan Commuter Transportation District.

New York LLCs doing businesses in New York are taxed and classified the same as for federal income tax purposes. New York follows federal tax treatment. If the LLC is filed as partnership by default, the LLC is not required to pay New York State income tax as the LLC's profit flow through to members, but the LLC itself must pay the state filing fee, starting from USD 25.

(2) Payroll Tax Filing and Relevant Services

(a) Federal Payroll Taxes

If the business entities have employees and pay wages in U.S., they must report income and payroll taxes withheld from their employees to Internal Revenue Service (IRS) periodically and deposit these taxes in full to an authorized bank or financial institution pursuant to Federal Tax Deposit Requirements. The business entities are also responsible for filing and paying Social and Medicare Taxes (employer share amount) and Federal Unemployment Taxes.

The deposit schedule for the payroll taxes depend upon the amount of the business entity's payroll tax liability. Employers may be subject to criminal and civil sanctions for wilfully failing to pay employment taxes.

(b) State Payroll Taxes

If Corporation or LLC have employees and pays wages in New York, they must register as employer with New York State. Employers in New York are required to withhold New York State, New York City, or Yonkers income tax from employees' wages. Employers must periodically send these withholding taxes and withholding tax return to the Tax Department. And employers must contribute to Unemployment Insurance Tax (UI).

(c) Payroll Service

Kaizen also provides professional services to collect wage and hour information from the employer and use that information to calculate gross wages, subtract all pertinent withholdings and deductions, print checks, make direct deposits and prepare all employment tax filings. Kaizen can also prepare W-2 and 1099 forms for you and resolve any inquiries from the IRS or other government agency.

(d) Foreign Person's U.S. Source Income Subject to Withholding

According to Internal Revenue Code, the payments that certain foreign persons received from U.S. sources, are subject to tax withholding. And they must report the amount withheld to IRS, if any. The sources include dividends, interest, rents, annuities, etc. Kaizen can help you prepare Form 1042, 1042-S, W-8BEN or other forms required by government agencies.

(3) Sales or Use Tax

Sales tax is a tax imposed upon sales of certain tangible personal property and services rendered within New York. The use tax generally applies if Corporation or LLC buy tangible personal property and services outside the state but use it within New York State.

The sales and use tax rate in New York State consist of the state tax rate (4%) and local tax rate imposed by a city, county, or school district. The combined rates vary in each county and in cities that impose sales tax.

(4) Foreign Banks and Financial Accounts Filing

If a business entity in US held bank or financial account out of US, the entity maybe required to file FBAR with Department of Treasury, or FATCA related forms with IRS. Please consult with Kaizen professional consultants for more information on filing process and fees.

3. Other Maintenance Services

(1) Audit Service

Public companies are required to submit the audit reports to the U.S. Securities and Exchange Commission annually. Private company may also need to prepare audited financial statements annually or periodically for some reasons, such as submitting audit report to lending party.

Kaizen can offer high-quality audit service for you in compliance with accounting rules.

(2) Bookkeeping Service

Kaizen provides bookkeeping service to develop and maintain your overall financial processes and management. According to the supporting documents provided by you, Kaizen will maintain and update the accounting books in accordance with the tax and business law.

4. Our Service Fee

As discussed above, all active New York Corporations and LLCs are required to operate in compliance with the New York business laws. The business entities may also need to apply for the license and permits with state according to different industries. Kaizen U.S. office is a professional CPA firm, offers complete compliance services and business support, such as bookkeeping, financial statement audit, filing tax return, making payroll, etc. The partial services for New York company's annual renewal and maintenance are listed for your reference,

Item	Description	Service Fees (USD)	
1	Annual renewal including registered agent, registered office and Biennial Statement filing fees	Yearly	900
2	Business license/permits renewal	Each renewal	TBD
3	Federal and New York state income tax filing	Each filing	800/up
4	Payroll tax filing and relevant services	TBD	TBD
5	Sale or use tax filing	Each filing	150
6	Foreign banks and financial accounts filing	Yearly	TBD
7	Audit service	Yearly	15,000/up
8	Bookkeeping service	monthly	300/up

Note:

- (1) Kaizen service fee for the annual renewal includes provision of the registered office, registered agent and Biennial Statement filing, but not including business license renewal service.
- (2) Government service fee for business license/permits renewal varies depending on different industries, Kaizen will not charge extra fee for this service.
- (3) Kaizen service fee for federal and state income tax return is depending on complexity and transactions of financial statements. Please consult with Kaizen consultants for more details.
- (4) Kaizen service fee for payroll tax filing and relevant services is based on numbers of employees.
- (5) Kaizen service fee for quarterly sales/use tax filing is USD 150. If you need to file monthly return, our service fee is USD 120.
- (6) Kaizen can handle foreign accounts filing. Please consult with Kaizen consultants for more details.
- (7) Kaizen service fee for audit service is based on the complexity of the financial conditions.
- (8) Kaizen service fee for bookkeeping is depending on the number of transactions. Please consult with Kaizen consultants for more details.
- (9) Fees above do not include delivery fee.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

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