The AhaBulb Party Game

STUFF EVERY NEW BUSINESS OWNER SHOULD KNOW

How to play (30 seconds)

1. The reader reads a card and its three answers out loud.
2. Everyone says "One, two, three, Goldilocks!" and holds up 1, 2, or 3 fingers.
3. The reader flips the card and reads the answer and the Why.
4. Everyone who was right takes a point.
5. The reader reads the joke with a straight face. Anyone laughs or groans? The reader takes a point. Nobody got it right? The reader takes a point.
6. Pass the deck left. Most points when the points run out wins.

What you need

These cards and the point tokens on the last two pages. No tokens? Use coins, buttons, pebbles, or marshmallows. 3 to 10 players, ages 8 and up.

Expert rule: Bet It

Before the reader flips the card, you may put one of your points on your answer. Right: take your normal point plus one extra. Wrong: your bet goes back to the pile. That's it.

Printing

Print single-sided, on cardstock if you have it. Cut on the dashed lines. Each card is a 3.5 x 5 inch index card. The answer half is upside down on purpose, so the table can't peek.

Cards 1 to 50 of 109. More cards and the free daily online game at sesk.info. Built 2026-10-14.

STARTING AND RUNNING A BUSINESS

If you start selling without registering any business type, what are you automatically?

- **A** A sole proprietorship
- **B** A single-member LLC
- **C** An S corporation

FLIP FOR THE ANSWER

A **A sole proprietorship**

WHY The SBA says you are automatically a sole proprietor if you do business but never register as anything else. An LLC or corporation only exists after you file with your state.

STRAIGHT FACE
Why did the bank teller quit? She lost interest.

SESK.INFO #9201

STARTING AND RUNNING A BUSINESS

Who is responsible for a sole proprietorship's business debts?

- **A** Only the business, never the owner
- **B** The owner, personally
- **C** The state that issued the license

FLIP FOR THE ANSWER

B **The owner, personally**

WHY A sole proprietorship is not a separate legal entity. The owner's personal assets and the business's debts are tied together, so the owner can be held personally liable.

STRAIGHT FACE
Do I enjoy courthouse puns? Guilty.

SESK.INFO #9202

STARTING AND RUNNING A BUSINESS

What does each partner put into a partnership, according to the IRS?

- **A** Only money, in equal amounts
- **B** Only a signed state license
- **C** Money, property, labor or skill

FLIP FOR THE ANSWER

C **Money, property, labor or skill**

WHY The IRS defines a partnership as two or more people in business together. Each contributes money, property, labor or skill and shares in the profits and losses.

STRAIGHT FACE
Why was the dollar bill sad? It had no change.

SESK.INFO #9203

STARTING AND RUNNING A BUSINESS

Does a partnership pay federal income tax on its profits?

- **A** Yes, at the 21 percent corporate rate
- **B** No, profits pass through to the partners
- **C** Yes, but only in its first year

FLIP FOR THE ANSWER

B **No, profits pass through to the partners**

WHY A partnership files a yearly information return, Form 1065, but pays no income tax itself. Each partner reports their share of the profit or loss on their personal return.

STRAIGHT FACE
What did one penny say to the other? Let's get together and make cents.

SESK.INFO #9204

STARTING AND RUNNING A BUSINESS

In most states, how much personal liability do partners in a general partnership have?

- **A** Unlimited personal liability
- **B** None, the partnership shields them
- **C** Liability only up to their investment

FLIP FOR THE ANSWER

A Unlimited personal liability

WHY The SBA's comparison chart lists partnerships as having unlimited personal liability unless structured as a limited partnership. In most states, general partners' personal assets can be exposed to business debts.

STRAIGHT FACE
I lost a banana in court, but then I appealed.

SESK.INFO #9206

STARTING AND RUNNING A BUSINESS

In most states, can two people form a general partnership without a written agreement?

- **A** No, a signed contract is always required
- **B** No, only the IRS can create one
- **C** Yes, acting as co-owners can create one

FLIP FOR THE ANSWER

C Yes, acting as co-owners can create one

WHY In most states, a general partnership can arise when people run a business together as co-owners for profit. Courts may look at their conduct even if they never intended to become partners.

STRAIGHT FACE
Why did the coin go to school? It wanted to make more cents.

SESK.INFO #9205

STARTING AND RUNNING A BUSINESS

What level of law authorizes a limited liability company (LLC)?

- **A** State law
- **B** Federal law passed by Congress
- **C** IRS regulations

FLIP FOR THE ANSWER

A State law

WHY The IRS says an LLC is a business structure allowed by state statute. In most states, formation details come from state law, while the IRS determines federal tax classification.

STRAIGHT FACE
What did the duck say after buying lipstick? Put it on my bill.

SESK.INFO #9208

STARTING AND RUNNING A BUSINESS

In most states, which partnership type is designed to limit every owner's liability?

- **A** A general partnership
- **B** A limited partnership (LP)
- **C** A limited liability partnership (LLP)

FLIP FOR THE ANSWER

C A limited liability partnership (LLP)

WHY In most states, an LLP gives every owner some liability protection, unlike an LP with an unlimited-liability general partner. The exact protection depends on state law.

STRAIGHT FACE
Why did the judge bring a pencil to court? To draw a conclusion.

SESK.INFO #9207

STARTING AND RUNNING A BUSINESS

By default, how is a domestic LLC with two or more members taxed?

A As a partnership

B As a disregarded entity

C As a C corporation

FLIP FOR THE ANSWER

A As a partnership

WHY The IRS classifies a domestic LLC with at least two members as a partnership for federal income tax. It can file Form 8832 to elect corporate treatment instead.

STRAIGHT FACE
Why did the multi-member LLC bring extra chairs?
Tax time was a partnership meeting.

SESK.INFO #9210

STARTING AND RUNNING A BUSINESS

By default, how does the IRS treat a one-owner LLC for income tax?

A As a C corporation

B As a disregarded entity

C As a partnership

FLIP FOR THE ANSWER

B As a disregarded entity

WHY Unless it elects otherwise on Form 8832, a single-member LLC is disregarded for income tax. An individual owner usually reports its business on Schedule C, like a sole proprietor.

STRAIGHT FACE
What is the capital of Greece? About ten dollars.

SESK.INFO #9209

STARTING AND RUNNING A BUSINESS

A one-owner LLC with no employees and no excise taxes: does it need its own EIN for federal tax?

A Yes, every LLC must have one

B Yes, but only after five years

C No, it can use the owner's tax ID

FLIP FOR THE ANSWER

C No, it can use the owner's tax ID

WHY The IRS says a disregarded single-member LLC with no employees and no excise tax liability does not need an EIN for federal tax. Hiring employees changes that. A bank may still ask for one.

STRAIGHT FACE
Why did the one-owner LLC ask for ID? It wanted a number of its own.

SESK.INFO #9212

STARTING AND RUNNING A BUSINESS

Which IRS form does an LLC file to choose to be taxed as a C corporation?

A Form SS-4

B Form 8832

C Form 1099-NEC

FLIP FOR THE ANSWER

B Form 8832

WHY Form 8832 lets an eligible entity like an LLC elect to be classified as a corporation, a partnership or a disregarded entity. An LLC wanting S corporation status files Form 2553 instead.

STRAIGHT FACE
Why did the LLC fill out Form 8832? It was having an identity crisis.

SESK.INFO #9211

STARTING AND RUNNING A BUSINESS

An LLC wants to be taxed as an S corporation. Must it file Form 8832 first?

- **A** Yes, 8832 must come first
- **B** No, Form 2553 alone is enough
- **C** No, it just checks a box on its return

FLIP FOR THE ANSWER

B No, Form 2553 alone is enough

WHY IRS Publication 3402 says an LLC electing S corporation status does not have to file Form 8832 first. Filing Form 2553 counts as electing corporate classification too.

STRAIGHT FACE
Why did the LLC skip a form? It found a 2553-for-1 deal.

SESK.INFO #9213

STARTING AND RUNNING A BUSINESS

What is the most shareholders an S corporation can have?

- **A** 35
- **B** 500
- **C** 100

FLIP FOR THE ANSWER

C 100

WHY To qualify as an S corporation, a company can have no more than 100 shareholders. A corporation that exceeds the limit cannot qualify or remain an S corporation.

STRAIGHT FACE
Why should you never argue with a decimal? It always has a point.

SESK.INFO #9214

STARTING AND RUNNING A BUSINESS

For the S corporation 100-shareholder limit, how is a married couple counted?

- **A** As one shareholder
- **B** As two shareholders
- **C** They can't both own shares

FLIP FOR THE ANSWER

A As one shareholder

WHY Federal law treats a husband and wife, and all members of a family, as one shareholder for the 100-shareholder limit. That makes room for family businesses with many relatives.

STRAIGHT FACE
What did zero say to eight? Nice belt.

SESK.INFO #9215

STARTING AND RUNNING A BUSINESS

Which of these can NOT be an S corporation shareholder?

- **A** A US citizen
- **B** An estate
- **C** A partnership

FLIP FOR THE ANSWER

C A partnership

WHY S corporation shareholders may be individuals, certain trusts and estates. Partnerships, corporations and nonresident aliens are not allowed.

STRAIGHT FACE
The S corp turned away the partnership at the door. Dress code: individuals only.

SESK.INFO #9216

STARTING AND RUNNING A BUSINESS

How many classes of stock may an S corporation have?

- **A** Only one
- **B** Two, common and preferred
- **C** Any number

FLIP FOR THE ANSWER

A Only one

WHY An S corporation must have only one class of stock. Shares can differ in voting rights, but all must have identical rights to distributions and liquidation proceeds.

STRAIGHT FACE
Why did the S corp's stock skip the fancy reunion? It only ever had one class.

SESK.INFO #9217

STARTING AND RUNNING A BUSINESS

Which IRS form does a corporation file to become an S corporation?

- **A** Form 1120
- **B** Form 2553
- **C** Form W-9

FLIP FOR THE ANSWER

B Form 2553

WHY A corporation, or an entity eligible to be treated as one like an LLC, files Form 2553 to elect S corporation status. All shareholders must sign their consent.

STRAIGHT FACE
Why did every shareholder bring a pen? Form 2553 needed the whole cast to sign.

SESK.INFO #9218

STARTING AND RUNNING A BUSINESS

To be an S corp for this tax year, file Form 2553 within how long after the year starts?

- **A** 2 months and 15 days
- **B** 30 days
- **C** 6 months

FLIP FOR THE ANSWER

A 2 months and 15 days

WHY Form 2553 must be filed no more than 2 months and 15 days after the start of the tax year it should take effect, or any time in the year before. For a calendar-year company, that is about March 15.

STRAIGHT FACE
Why did the paper go to school? To improve its writing.

SESK.INFO #9219

STARTING AND RUNNING A BUSINESS

An S corp owner who works in the business must be paid what before taking distributions?

- **A** Nothing, distributions alone are fine
- **B** Reasonable compensation as wages
- **C** Exactly the minimum wage

FLIP FOR THE ANSWER

B Reasonable compensation as wages

WHY The IRS says S corporations must pay reasonable compensation to a shareholder-employee before making non-wage distributions. The IRS can reclassify distributions as wages if the salary is too low.

STRAIGHT FACE
Why was the broom late for the meeting? It overswept.

SESK.INFO #9220

STARTING AND RUNNING A BUSINESS

Does every state honor the federal S corporation election?

- **A** Yes, every state must
- **B** No, some treat it as a C corp
- **C** Only states with no income tax

FLIP FOR THE ANSWER

B No, some treat it as a C corp

WHY The SBA says most states treat S corps like the federal government does, but some tax profits above a limit and others don't recognize the S election at all. Check your state.

STRAIGHT FACE
Why did the S corporation pack a state map? Its tax treatment changed along the route.

SESK.INFO #9222

STARTING AND RUNNING A BUSINESS

How are S corporation profits taxed for federal income tax?

- **A** Taxed twice, like a C corp
- **B** Never taxed at all
- **C** Passed through to shareholders' personal returns

FLIP FOR THE ANSWER

C Passed through to shareholders' personal returns

WHY S corporations pass income, losses, deductions and credits through to shareholders, who pay tax at their individual rates. That avoids the double taxation of a C corporation.

STRAIGHT FACE
Did you hear about the guy who invented Life Savers? He made a mint.

SESK.INFO #9221

STARTING AND RUNNING A BUSINESS

What is the federal income tax rate on a C corporation's taxable income?

- **A** 21 percent
- **B** 35 percent
- **C** 15 percent

FLIP FOR THE ANSWER

A 21 percent

WHY Federal law sets the corporate income tax at a flat 21 percent of taxable income. Shareholders pay their own tax later on any dividends.

STRAIGHT FACE
Why was the obtuse angle upset? It was never right.

SESK.INFO #9224

STARTING AND RUNNING A BUSINESS

Why do C corporation profits face a "double tax"?

- **A** The company files the same return twice
- **B** Owners pay tax twice a year
- **C** Taxed at the company, then again as dividends

FLIP FOR THE ANSWER

C Taxed at the company, then again as dividends

WHY A C corporation pays tax on its profit when earned. When it pays dividends, shareholders pay tax on them again, and the corporation gets no deduction for the dividends.

STRAIGHT FACE
Money talks. Mine just says goodbye.

SESK.INFO #9223

STARTING AND RUNNING A BUSINESS

What happens to a corporation when a shareholder sells their shares?

- **A** It continues doing business
- **B** It must dissolve and re-form
- **C** It becomes a partnership

FLIP FOR THE ANSWER

A It continues doing business

WHY The SBA says corporations have an independent life separate from their shareholders. If a shareholder leaves or sells, the business continues relatively undisturbed. Corporations can also raise money by selling stock.

STRAIGHT FACE
Shareholders come and go, but the corporation just keeps on working. Talk about job security.

SESK.INFO #9226

STARTING AND RUNNING A BUSINESS

Which federal income tax return does a C corporation file?

- **A** Form 1065
- **B** Schedule C
- **C** Form 1120

FLIP FOR THE ANSWER

C Form 1120

WHY A C corporation is a separate taxpayer and files Form 1120. Partnerships file Form 1065, S corporations file 1120-S, and sole proprietors use Schedule C.

STRAIGHT FACE
Why did the envelope get promoted? It knew how to address every issue.

SESK.INFO #9225

STARTING AND RUNNING A BUSINESS

What does "piercing the corporate veil" mean?

- **A** A court makes owners personally liable
- **B** Selling shares to the public
- **C** Changing the company's legal name

FLIP FOR THE ANSWER

A A court makes owners personally liable

WHY Piercing the veil is when a court sets aside limited liability and holds shareholders or directors personally liable for the company's debts. Courts usually do it only after serious misconduct.

STRAIGHT FACE
Why did the corporation repair its curtain? It wanted to keep the veil intact.

SESK.INFO #9228

STARTING AND RUNNING A BUSINESS

What does an LLC usually protect if the business is sued?

- **A** The business's own bank account
- **B** Owners' personal assets like house and savings
- **C** Nothing at all

FLIP FOR THE ANSWER

B Owners' personal assets like house and savings

WHY The SBA says an LLC protects owners from personal liability in most instances, so personal assets like a vehicle, house and savings usually aren't at risk if the LLC is sued. Protection isn't absolute.

STRAIGHT FACE
Why did the calendar go to court? It had a date.

SESK.INFO #9227

STARTING AND RUNNING A BUSINESS

In most states, which habit can lead a court to pierce the corporate veil?

- **A** Keeping a separate business bank account
- **B** Mixing personal and business money
- **C** Filing annual reports on time

FLIP FOR THE ANSWER

B Mixing personal and business money

WHY In most states, courts may consider misconduct such as mixing personal and corporate assets or forming an undercapitalized company. Keeping business money separate helps preserve limited liability.

STRAIGHT FACE
I keep my business money and my lunch money apart. They don't even make eye contact.

SESK.INFO #9229

STARTING AND RUNNING A BUSINESS

What is an LLC's operating agreement?

- **A** The state's certificate of formation
- **B** The IRS letter assigning an EIN
- **C** The governing contract among the LLC's members

FLIP FOR THE ANSWER

C The governing contract among the LLC's members

WHY An operating agreement is the contract LLC members adopt to run the business. It can cover how it's managed, how assets are used and how revenue is shared.

STRAIGHT FACE
Why did the stamp stay on the envelope? It was stuck on it.

SESK.INFO #9230

STARTING AND RUNNING A BUSINESS

How much does the IRS charge for an Employer Identification Number (EIN)?

- **A** 50 dollars
- **B** Nothing, it's free
- **C** The state filing fee

FLIP FOR THE ANSWER

B Nothing, it's free

WHY The IRS issues EINs for free. It warns about websites that charge for an EIN; you never have to pay a fee to get one.

STRAIGHT FACE
Velcro. What a rip-off.

SESK.INFO #9231

STARTING AND RUNNING A BUSINESS

If you apply online and are approved, how fast do you get your EIN?

- **A** In 4 to 6 weeks by mail
- **B** After a 30-day review
- **C** Immediately, online

FLIP FOR THE ANSWER

C Immediately, online

WHY The IRS online tool issues an EIN immediately if approved. You must finish in one session, since it expires after 15 minutes of inactivity, and you can get only 1 EIN per responsible party per day.

STRAIGHT FACE
I got my EIN so fast I didn't even finish my coffee. Talk about instant business.

SESK.INFO #9232

STARTING AND RUNNING A BUSINESS

Which IRS form is the application for an EIN?

- **A** Form SS-4
- **B** Form W-4
- **C** Form 8832

FLIP FOR THE ANSWER

A Form SS-4

WHY Form SS-4 is the application for an Employer Identification Number. The EIN is a 9-digit number like 12-3456789, used by employers, sole proprietors, corporations, partnerships and others.

STRAIGHT FACE
Why did the pencil cross the road? To draw the other side.

SESK.INFO #9233

STARTING AND RUNNING A BUSINESS

If you apply for an EIN by mail, how early should you send Form SS-4?

- **A** 2 days ahead
- **B** 6 months ahead
- **C** At least 4 weeks ahead

FLIP FOR THE ANSWER

C At least 4 weeks ahead

WHY IRS Publication 583 says to mail Form SS-4 at least 4 weeks before you need an EIN. By fax it takes about 4 business days, and online it's immediate.

STRAIGHT FACE
Why did the cookie go to the post office? To get its chips stamped.

SESK.INFO #9234

STARTING AND RUNNING A BUSINESS

Forming an LLC or corporation: which comes first, the state filing or the EIN?

- **A** Form with the state first, then get the EIN
- **B** Get the EIN first, then form
- **C** Do both on the same IRS form

FLIP FOR THE ANSWER

A Form with the state first, then get the EIN

WHY The IRS says to form your corporation or LLC through the secretary of state before applying for an EIN. Skipping that order can delay your EIN application.

STRAIGHT FACE
The shovel was a ground-breaking invention.

SESK.INFO #9235

STARTING AND RUNNING A BUSINESS

If a sole proprietor needs an EIN, how many cover multiple businesses and trade names?

- **A** One per trade name
- **B** Just one
- **C** None, ever

FLIP FOR THE ANSWER

B Just one

WHY IRS instructions say a sole proprietor files only one Form SS-4 and needs only one EIN, regardless of the number of businesses or trade names. Incorporating or forming a partnership requires a new EIN.

STRAIGHT FACE
Why did three shops share one number? Their sole proprietor knew how to count costs.

SESK.INFO #9236

STARTING AND RUNNING A BUSINESS

What mainly determines how and where a business registers?

- **A** Structure and location
- **B** Logo and slogan
- **C** First-year revenue

FLIP FOR THE ANSWER

A Structure and location

WHY Registration is not one national process. The entity type and the places where it does business determine which filings may be required.

STRAIGHT FACE
Why did the business bring a map? It wanted to register in the right place.

SESK.INFO #9237

STARTING AND RUNNING A BUSINESS

Where do most states accept business formation filings?

- **A** A federal courthouse
- **B** A state business filing office
- **C** The local post office

FLIP FOR THE ANSWER

B A state business filing office

WHY Most states use the Secretary of State, a business bureau, or a similar agency. The office name varies, so check the official state website.

STRAIGHT FACE
Why did the form visit the capital? It had state business.

SESK.INFO #9238

STARTING AND RUNNING A BUSINESS

Which document commonly forms an LLC with a state?

- **A** Corporate bylaws
- **B** A resale certificate
- **C** Articles of organization

FLIP FOR THE ANSWER

C Articles of organization

WHY Articles of organization give the state basic LLC information. Exact names and required details vary by state.

STRAIGHT FACE
Why should you never trust graph paper? It's always plotting something.

SESK.INFO #9239

STARTING AND RUNNING A BUSINESS

Which document is required when incorporating a business?

- **A** Articles of incorporation
- **B** An annual budget
- **C** A seller permit

FLIP FOR THE ANSWER

A Articles of incorporation

WHY This state filing lays out the corporation's basic legal outline. Every state requires it for incorporation, although the title and details can differ.

STRAIGHT FACE
What did one page say to the other? I've got you covered.

SESK.INFO #9240

STARTING AND RUNNING A BUSINESS

What does a registered agent receive for a company?

- **A** Customer reviews
- **B** Official and legal documents
- **C** Daily sales deposits

FLIP FOR THE ANSWER

B Official and legal documents

WHY A registered agent is the company's official contact for government and legal papers. SBA says LLCs, corporations, partnerships and nonprofit corporations need one.

STRAIGHT FACE
Why did the registered agent never miss mail? It was always on call for papers.

SESK.INFO #9241

STARTING AND RUNNING A BUSINESS

Where must a registered agent generally be located?

- **A** Any country
- **B** Only Washington, D.C.
- **C** The registration state

FLIP FOR THE ANSWER

C The registration state

WHY The agent must be reachable in the state of registration. This gives courts and agencies a reliable local contact for official delivery.

STRAIGHT FACE
Why did the agent stay local? The paperwork knew where to find it.

SESK.INFO #9242

STARTING AND RUNNING A BUSINESS

What may a company need before doing business in another state?

- **A** Foreign qualification
- **B** A new federal entity
- **C** A personal passport

FLIP FOR THE ANSWER

A Foreign qualification

WHY A business formed in one state is domestic there and foreign elsewhere. Active business in another state may require registration there, often through a Certificate of Authority.

STRAIGHT FACE
Why did the employee bring a ladder to work? They wanted to climb the corporate ladder.

SESK.INFO #9243

STARTING AND RUNNING A BUSINESS

What is another name for a DBA?

- **A** Federal charter
- **B** Trade or assumed name
- **C** Registered-agent address

FLIP FOR THE ANSWER

B Trade or assumed name

WHY DBA means doing business as. It lets a person or entity operate under a name different from its legal name.

STRAIGHT FACE
Why did the business use a nickname? Its legal name was all business.

SESK.INFO #9244

STARTING AND RUNNING A BUSINESS

Does registering a DBA alone give legal name protection?

- **A** Yes, nationwide
- **B** Yes, for patents
- **C** No, not by itself

FLIP FOR THE ANSWER

C No, not by itself

WHY A DBA records an operating name, but it is not the same as forming an entity or obtaining trademark rights. Check name and trademark rules separately.

STRAIGHT FACE
Why did the DBA carry an umbrella? A name alone was not enough cover.

SESK.INFO #9245

STARTING AND RUNNING A BUSINESS

When does a business generally need a federal license or permit?

- **A** Whenever it earns revenue
- **B** When federal law regulates the activity
- **C** Only after hiring

FLIP FOR THE ANSWER

B When federal law regulates the activity

WHY Federal licensing is activity-based, not universal. Regulated fields include examples such as aviation, alcohol, broadcasting, and commercial fishing.

STRAIGHT FACE
Why did the permit apply for a job? It was already qualified on paper.

SESK.INFO #9246

STARTING AND RUNNING A BUSINESS

What determines which state and local permits a business needs?

- **A** The owner's favorite color
- **B** Only its federal tax form
- **C** Its activities and location

FLIP FOR THE ANSWER

C Its activities and location

WHY States, counties, and cities license different activities. A restaurant, contractor, or retailer may face different rules depending on where it operates.

STRAIGHT FACE
Why did the plumber check city hall? The permit was in the pipeline.

SESK.INFO #9247

STARTING AND RUNNING A BUSINESS

Why should permit renewal dates go on a compliance calendar?

- **A** They may expire and need renewal
- **B** They automatically last forever
- **C** They become federal patents

FLIP FOR THE ANSWER

A They may expire and need renewal

WHY Some permits expire, and missing a renewal can interrupt operations. Track each issuing agency, expiration date, and renewal requirement.

STRAIGHT FACE
Why did the permit buy a calendar? Its days were numbered.

SESK.INFO #9248

STARTING AND RUNNING A BUSINESS

Can foreign qualification create ongoing duties in two states?

- **A** No, the first state disappears
- **B** Only federal duties remain
- **C** Yes, both states may require filings

FLIP FOR THE ANSWER

C Yes, both states may require filings

WHY Foreign qualification does not replace the original registration. A company may owe taxes or annual-report fees in both states.

STRAIGHT FACE
Why did the multistate company need two calendars? It had twice the dates.

STARTING AND RUNNING A BUSINESS

Which recurring state filing may keep an entity in good standing?

- **A** A weekly sales forecast
- **B** A state annual report
- **C** A new formation filing

FLIP FOR THE ANSWER

B A state annual report

WHY Annual-report duties depend on the state and entity type. Check the formation state's official schedule instead of assuming every state uses the same deadline.

STRAIGHT FACE
Why did the annual report return? It was that time of year again.

1
AhaBulb POINT

1
AhaBulb POINT