



Notice to Prospective Purchasers of a Business or Business Assets

Instructions to seller – If you intend to sell your business or any of your business assets (tangible, intangible, or real property) other than in the ordinary course of business, you must give each prospective purchaser a copy of this notice.

Instructions to purchaser – If you purchase a business or business assets (tangible, intangible, or real property) from a person required to collect tax, you must notify the Tax Department of the purchase in person or by registered or certified mail, return receipt requested, at least 10 days before taking possession of or paying for the business assets, whichever occurs earlier. Use Form AU-196.10, *Notification of Sale, Transfer or Assignment in Bulk*, to notify this department.

As the purchaser, you may be personally liable for all sales taxes owed by the seller unless, after notifying the Tax Department, you withhold all money or other consideration due the seller until the department has had the opportunity to notify you of any taxes owed by the seller. Your liability is limited to the total purchase price or the fair market value of the business assets transferred, whichever is higher.

In addition, if you will be making sales in New York State that are subject to sales tax, you must register with the Tax Department and obtain a *Certificate of Authority*, which gives you the right to collect tax on your taxable sales and to issue and accept most New York State sales tax exemption certificates. You must register at least 20 days before commencing business, opening a new place of business, or taking possession of or paying for the business or business assets, whichever is earliest. To apply for a *Certificate of Authority*, use *New York Business Express* at www.businessexpress.ny.gov. Failure to obtain a *Certificate of Authority* before making taxable sales may subject you to substantial penalties. For more information about registering for sales tax purposes, see Tax Bulletin TB-ST-360, *How to Register for New York State Sales Tax*.

For more detailed information regarding the rights and liabilities of the purchaser and the seller in a bulk sale transaction, refer to TSB-M-83(6)S, *Guidelines for Bulk Sales Transactions*.

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Telephone assistance

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.