



Buying an Existing Business

Before you buy an existing business, you'll want to find out if the owner owes any Texas taxes.

Under state law, the purchaser is responsible for any state tax owed by the previous owner of the business. When paying for the business, the buyer is required by law to withhold the amount needed to pay any existing Texas tax liability. The amount withheld cannot exceed the purchase price.

To find out if a business you're buying has a tax liability, write us for a Certificate of No Tax Due. Mail your request to Texas Comptroller of Public Accounts, P. O. Box 13528, Austin, Texas 78711-3528, or FAX us at (512) 475-0349.

An auditor will review your request and, if necessary, audit the seller's business records. Our review may take up to 90 days, and one of three results will be sent in writing to the seller:

- if the business doesn't owe any tax, a Certificate of No Tax Due;
- if taxes are due, a letter listing the amounts owed; or
- if there was an audit, a Notification of Audit Results.

If taxes are due and the buyer requested the review, the seller must give us written authorization before we can release confidential tax information to the buyer.

You can find more information online at www.window.state.tx.us/taxinfo/sales under the FAQ tab (Buying, Selling or Discontinuing a Business). You can also contact the nearest Comptroller's field office or call (800) 344-7916 toll free, nationwide. The number in Austin is 463-3900.

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