ALABAMA DEPARTMENT OF REVENUE
ADMINISTRATIVE CODE

CHAPTER 810-14-1
TAXPAYERS; BILL OF RIGHTS AND UNIFORM REVENUE PROCEDURES

810-14-1-.26 Release Of Information Necessary To Comply With Sections 40-23-25, 40-23-82, and 40-12-224, Code Of Ala. 1975.

(1) SCOPE. This regulation relates to the authority of the Department to release information necessary for sellers of a business or stock of goods to comply with Code of Ala. 1975, Sections 40-23-25, 40-23-82, and 40-12-224.

(2) DEFINITIONS. The following terms have the meanings ascribed to them for purposes of this regulation.

(a) Taxes. Unless otherwise stated, this term refers to sales, use, and leasing taxes.

(b) Purchaser. An individual, partnership or corporation which is purchasing or has purchased a business or stock of goods.

(c) Seller. An individual, partnership or corporation, which is selling or has sold a business or stock of goods.

(d) Verifiable electronic request. A request made through telecommunication channels (i.e., facsimile machines or modems) that has some means of verification as to the authority of the party requesting the information.

(3) PURPOSE. The purpose of this regulation is to establish a specific procedure whereby the purchaser or seller of a business or stock of goods may be provided with specific information regarding taxes paid or taxes due and unpaid by the seller so as to comply with Code of Ala. 1975, Section 40-23-25, 40-23-82 or 40-12-224.

(4) PROCEDURE.

(a) A seller of a business or stock of goods subject to the provisions of Section 40-23-25, 40-23-82, or 40-12-224 Code of Ala. 1975, may obtain a certificate from the Department within 30 days of the date he sold his business or stock of goods showing that all taxes have been paid or that no taxes are due. The certificate may be furnished to the seller upon payment of all taxes which have accrued prior to the date of the sale.

(b) A purchaser of a business or stock of goods subject to the provisions of Section 40-23-25, 40-23-82, or 40-12-224, Code of Ala. 1975, may request and obtain a certificate from the Department prior to the purchase showing that all outstanding tax, penalty, and interest has been paid over to the Department as of the date of the request.

1. Whenever a purchaser wishes to secure information in order to comply with the provisions of Sections 40-23-25, 40-23-82, and/or 40-12-224, Code of Ala. 1975, the purchaser shall provide the Department with a written or verifiable electronic request for the information.

2. Each written or verifiable electronic request made by a purchaser shall provide the following:

(i) the legal name, mailing address, phone number, and signature of the party making the request;

(ii) an affirmative statement that the requesting party is entitled to the information requested pursuant to Section 40-2A-10, Code of Ala. 1975, and that the request is necessary in order for the requesting party to comply with the provisions of Sections 40-23-25, 40-23-82, and/or 40-12-224, Code of Ala. 1975;

(iii) the legal name and address of the party from whom the purchaser is purchasing a business or stock of goods; and

(iv) if available, the state sales, state use, state rental, local sales, and/or local use tax account number(s) and the social security number or federal employer identification number of the party from whom the purchaser is purchasing a business or stock of goods.

3. The Department reserves the right to deny any request for information when it has not been adequately established to the Department’s satisfaction that the requesting party has a legitimate need for the requested information. The Department may contact the seller of a business or stock of goods to establish the legitimacy of the requesting party’s request for information.

(c) If the taxes are not current, the Department may issue the purchaser or seller a "Certificate of Noncompliance," which will specify the type of tax and the periods of tax which have not been paid. The Department may also send a letter of noncompliance to the purchaser or seller of the business which will contain, if known, the amount required to bring the

business into compliance with the sales and use tax laws up to the anticipated date of purchase.

(d) In the event the Department learns, or otherwise has reason to believe that a business or stock of goods has been sold and that the purchaser has not complied with the provisions of Sections 40-23-25, 40-23-82, or 40-12-224, Code of Ala. 1975, the Department may make a demand for payment, and, if not paid, enter an assessment against the successor. Any demand or assessment so entered shall clearly identify the successor as such, as well as the previous business entity.

(e) Any disclosure of amounts of tax due made by the Department to a business entity that is believed to be a successor, and which is subsequently determined not to be a successor as contemplated by Sections 40-23-25, 40-23-82, and/or 40-12-224, Code of Ala. 1975, shall be deemed to have been made for the proper administration of the taxes and is an exception to the disclosure restrictions as provided at Section 40-2A-10, Code of Ala. 1975.

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