

THE FLORIDA SENATE
2012 SUMMARY OF LEGISLATION PASSED
Committee on Community Affairs

HB 103 — Transfer of Tax Liability

by Rep. Wood (SB 170 by Senator Altman)

This bill consolidates and revises statutes governing the transfer of tax liabilities when businesses or business assets are transferred to successor owners. In general, a person who buys a business (transferee) assumes the tax liabilities of the seller (transferor), unless an exception applies. This bill allows the transferee to take the business without assuming the transferor's liabilities under either of the following two circumstances:

- The transferee receives a certificate of compliance from the transferor showing that the transferor has not received notice of audit, has filed all required tax returns, has paid the tax due from those returns, and there are no insiders in common between the transferor and the transferee; or
- The Department of Revenue conducts an audit, at the request of the transferee or transferor, and finds that the transferor is not liable for any taxes.

The bill also repeals two tax-specific statutes relating to sales tax and communications services tax which are substantially similar to the provisions of the bill. As a result of the repeals, the misdemeanor penalty provisions for violations of these statutes are also eliminated.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 36-1; House 115-0