

**PROCEDURES FOR SECURING A
BULK SALES
CLEARANCE CERTIFICATE**

See Fiscal Code Section 1403 and of Tax Reform Code Sections 240 and 321.1, 72 P.S. §§ 1403, 7240, and 7321.1 for further details.

A bulk sales transfer occurs when 51 percent or more of any stock of goods, wares or merchandise of any kind; fixtures; machinery; equipment; buildings; or real estate is transferred or sold from a seller/transferor to a purchaser/transferee.

All taxpayers subject to Sales, Use and Employer Withholding Tax and all corporations, joint-stock associations, limited partnerships and companies subject to any taxes administered by the Pennsylvania Department of Revenue are required to notify the department in writing 10 days prior to bulk transfers by filing the Application for Tax Clearance Certificate (REV-181). These parties are also required to present to the purchaser/transferee of a bulk transfer a Bulk Transfer Sales Clearance Certificate as evidence that all tax returns/reports have been filed and all tax obligations have been satisfied up to and including the date of transfer.

If a purchaser/transferee fails to obtain a Bulk Sales Clearance Certificate from the seller/transferor, the purchaser/transferee will become liable for all unpaid taxes the seller/transferor owes up to and including the date of transfer, regardless of whether or not the taxes have been settled, assessed or determined at that time.

Bulk transfer notification requirements apply to all bulk transfers made at auction, whether in one or more sales, and the notice must be made 10 days prior to the completion of the transfer of property. The taxpayer making the bulk sales transfer by auction must obtain a Bulk Sales Clearance Certificate from the Department, and the person conducting the auction must obtain a copy of the certificate from the bulk sales transferer. For more information on Bulk Sales Certificates with regard to auctions, please contact the Department directly.

Bulk transfer notification requirements do not apply to transfers made under any order of court or transfers made by assignees for the benefit of creditors, executors, administrators or receivers. Nor do transfer requirements apply to transfers made by any public officer acting in official capacity or any court officer when the Department is a party to the proceedings and transfers or has received adequate notice of such proceedings and transfers.

See Fiscal Code Section 1403 and Tax Reform Code Sections 240 and 321.1, 72 P.S. §§ 1403, 7240 and 7321.1 for further details on bulk sales transfers, tax obligations and notification requirements.

See reverse side for general instructions on obtaining a Bulk Sales Clearance Certificate.

To obtain a Bulk Sales Clearance Certificate, the seller/transferor must:

- Complete and file all tax reports/returns and pay all taxes, interest and penalties due the Commonwealth up to and including the date of transfer/sale.

Note: A Bulk Sale Clearance Certificate will only be issued after all reports/returns have been filed and all tax obligations have been satisfied.

- File a short-period estimated tax report through the date of transfer/sale, supported by an income statement, balance sheet and detailed schedule reflecting the gain or loss from the sale or exchange of tangible capital assets. The short-period estimated tax report is required since bulk sales rarely coincide with corporation tax reporting deadlines. The settlement of the short period report will be stricken upon settlement of the annual return declaring actual tax obligations.
- Complete the Application for Tax Clearance (REV-181) and make two copies of the form before signing it.
- Include a copy of the agreement of sale with each of the three copies of the application. For real estate transfers, be sure a copy of the settlement statement accompanies each copy of the application.
- Sign all three copies of the application and keep one for your records. Mail one, along with supporting sales documentation, to the Department of Revenue at the address in the upper left-hand corner of the front of this page, and send the other to the address below

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