



## Information Sheet for Tax Clearance Requests

When requesting a Tax Clearance, provide the information listed in the Tax Clearance Request Form located at [http://www.labor.state.ak.us/estax/forms/toc\\_forms.htm](http://www.labor.state.ak.us/estax/forms/toc_forms.htm) for the business you are requesting a Tax Clearance for. You may submit your request to the mailing address or Fax number listed above or you may attach it to an email addressed to [esd.tax@alaska.gov](mailto:esd.tax@alaska.gov).

**A Tax Clearance request on a predecessor's Employment Security Tax account should be submitted before a purchase or acquisition of an existing business has been finalized. The following statute outlines a successor employer's responsibility and potential liability.**

### LIABILITY OF SUCCESSOR EMPLOYER.

#### Alaska Statute 23.20.260

(a) The contributions required by this chapter are a lien upon the property of an employer subject to the provisions of the chapter who sells out the business or stock of goods, who quits business, or whose property used or acquired in the business is sold under voluntary conveyance or under foreclosure, execution or attachment, distraint, or other judicial proceeding.

(b) The employer shall file the reports which the department prescribes and pay the contributions required by this chapter with respect to wages payable for employment up to the date of the occurrence of each contingency.

(c) The purchaser or successor in business shall withhold enough purchase money to cover the amount of contributions due and unpaid until the employer produces a receipt from the department showing that the contributions have been paid, or a certificate that no contributions are due. If the purchaser or successor fails to withhold purchase money as provided, and the contributions are not paid within 10 days, the purchaser or successor is personally liable for the payment of the contributions accrued and unpaid on account of the operation of the business by the former owner.

**A Tax Clearance request on a contractor or subcontractor's Employment Security Tax account should be submitted before a final contract payment has been issued. The following statute outlines an employing unit's responsibility and potential liability.**

## **LIABILITY OF CONTRACTOR AND PRINCIPAL FOR CONTRIBUTIONS**

### **Alaska Statute 23.20.265.**

(a) An employing unit which contracts with or has under it a contractor or subcontractor who is an employer under the provisions of this chapter may not make a payment to the contractor or subcontractor for a debt due until the contractor or subcontractor has paid or furnished a sufficient bond acceptable to the department for payment of contributions, including penalty and interest, due or to become due for personal services which have been performed by individuals for the contractor or subcontractor arising during the course of the employment of the contractor or subcontractor by the employing unit.

(b) Failure to comply with this section makes the employing unit directly liable for the contributions and interest and the department has the remedies of collection against the employing unit under this chapter as though the services in question were performed directly for the employing unit.

(c) Upon request, the department may notify an employing unit of its contractor's or subcontractor's liability for contributions, interest, and penalties under this chapter to allow the employing unit to comply with this section.