

Tax Clearance Information

Sole-Proprietorships, Partnerships and Corporations Requesting Conditional Tax Clearance

Corporations can request a *Conditional Tax Clearance Request* (Form 514) when they sell their assets, but the corporate shell remains. The corporation continues to file returns when due. Later, the corporation may file for dissolution or withdrawal.

A conditional tax clearance is required when a bulk sale or transfer is made under the Uniform Commercial Code.

Conditional tax clearance is granted after the Department of Treasury determines that all Sales, Use, Income (Withholding), Cigarette, Motor Fuel, Single Business and Michigan Business Taxes have been paid for the period of operation.

Requests for conditional tax clearance are usually made when a purchaser insists that the seller demonstrate that taxes are current. When a conditional tax clearance certificate is issued, money held in escrow is released and the purchaser is relieved of successor liability. The seller agrees to keep all books and records of the business until they are released by Treasury. The seller is liable for all taxes due from the operation of the business at the location cleared during the time specified by Treasury.

Corporations Requesting Dissolution or Withdrawal of Foreign Corporation From Michigan

A domestic (Michigan) corporation dissolves; a foreign corporation (incorporated outside Michigan) withdraws from Michigan.

A tax clearance certificate must be obtained from Michigan Department of Treasury within 60 days of dissolution or withdrawal of a corporation from the State of Michigan. (For questions concerning dissolving a corporation, you may contact the Department of Labor and Economic Growth, Corporation Division.)

You must file final tax returns and *Withdrawing Corporation Property and Tax Certificate* (Form 508) along with your *Tax Clearance Request* (Form 501).

A tax clearance certificate will not be issued until all returns are filed and all liabilities are paid.

General Information

1. Send all returns and remittances to:

Tax Clearance Section
Michigan Department of Treasury
P.O. Box 30199
Lansing, MI 48909

Contact Information: (517) 636-5260, Monday through Friday, 8:00 a.m. - 5:00 p.m. (except holidays)

2. Make remittances payable to **“State of Michigan.”** Certified checks will speed processing.
3. Returns and remittances not addressed to the Tax Clearance Section may be delayed several months.
4. Tax Clearance Certificates are valid for one (1) year from the date issued.