

How to Close a Business

Contact all necessary agencies that may affect your business or yourself. Do not rely on secondhand information or someone else to contact all the agencies for you. There are forms that must be completed with information that only you will know about your business; and, usually, these must be signed with your original signature. All participants in the business should be actively involved in this process. Be aware of how your tax returns, reports, and other paperwork are being handled regardless of whether you have an accountant, bookkeeper, etc. This paperwork affects your business and you should know what is going on. Do not blindly accept anything.

Your accountant or local district Revenue office should know of any changes and how they may affect your business. Review all taxes and tax accounts that you have active. Close all accounts and be sure that there are no outstanding balances, payments or taxes due.

Key Contact Information is provided below for your convenience:

Sales, Use & Business Tax	334-242-1490
Consumer Use Tax	334-242-1490
Local Use Tax	334-242-1490
Lodgings Tax	334-242-1490
Rental Tax	334-242-1490
Withholding Tax	334-242-1300
Individual Estimate Tax	334-242-1000
Partnerships and LLCs	334-242-1000
Subchapter S Corporations	334-242-1000
Corporation Income Tax	334-242-1200
Business Registration-(Central Registration)	334-242-1584
Business Privilege Tax	334-353-9807
Property Tax	334-242-1525
Motor Carrier Fuel Tax	334-242-9608
IRP FAQ's	334-242-9608
Electronic Funds Transfer (EFT) Information	334-242-1891
Alabama Department of Labor	334-242-8055

Section 40-23-25, of the Code of Alabama 1975 can be used a guide to closing or selling a business.

§ 40-23-25. Sale of business; taxation of successor

Any person subject to the provisions hereof who shall sell out his business or stock of goods, or shall quit business, shall be required to make out the return provided for under Section 40-23-7 within 30 days after the date he sold out his business or stock of goods, or quit business, and his successor in business shall be required to withhold sufficient of the purchase money to cover the amount of said taxes due and unpaid until such time as the former owner shall produce a receipt from the Department of Revenue showing that the taxes have been paid, or a certificate that no taxes are due. If the purchaser of a business or stock of goods shall fail to withhold purchase money as above provided the taxes shall be due and unpaid after the 30-day period allowed, he shall be personally liable for the payment of the taxes accrued and unpaid on account of the operation of the business by the former owner. If in such cases the department deems it necessary in order to collect the taxes due the state, it may make a jeopardy assessment as provided in Chapter 29 of this title.