Tax Compliance Guide

Certificate of Taxes Due

A Certificate of Taxes Due is issued by the Finance Director to certify that a business is licensed with the City and current with its taxes. The certificate will indicate whether any tax liability exists at the time of certification. It is used for the seller of a business to certify to potential purchasers that there are no outstanding taxes. A purchaser of a business is required to remit directly to the city, from purchase money withheld from the buyer, to cover all taxes due and owing. Failure to withhold and remit the taxes from the proceeds will make the purchaser personally liable for taxes unpaid by the previous owner.

Because this information is confidential, the certificate must be requested by the taxpayer, but can be provided to the taxpayer or directly to a third party. The request is made through the City’s Tax and Licensing Portal. To make a request begin by logging into the Portal. Click to select “More…” and then “Send a Message to the City” to begin.

The taxpayer may be required to provide the selling price of the tangible personal property in the course of requesting the certificate. This will assist the City in assessing any sales/use taxes that will result from the sale.

The certificate only certifies taxes known to be outstanding as of the date prepared. The City is not precluded from assessing taxes discovered through a subsequent audit or investigation.

Examples

1. The owners of an Aurora motel wish to sell the motel. An interested purchaser is conducting standard due diligence research regarding the property and requires that the seller provide evidence that their taxes are current. The owners of the motel can file a request with the city for a Certificate of Taxes Due and ask that it be provided directly to the interested buyer.

Citations

Aurora Municipal Code
§ 130-74. Unpaid tax a prior lien; exemption from lien
§ 130-75. Sale of business
§ 130-76. Purchases and repossessions subject to tax lien

Contact Us

For additional assistance, please contact us:

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Website: http://www.auroragov.org/tax
Filing: http://aurorataxportal.gentaxcpc.net
Licensing: http://www.auroragov.org/bl

Related Topics

Sale/Purchase of a Business