

Looking to Sell? Looking to Buy?



MERGERS & ACQUISITIONS: GET READY FOR A SALT ANALYSIS

DID YOU KNOW?

- In 2014, businesses paid an average of **10.6% of net income** in state and local taxes.
- Many states have “successor liability provisions” that **hold a purchaser of a business liable** for an outstanding sales tax liability of the seller.
- Average sales tax rates currently range from **0% to 10.02%**
- **Unclaimed Property liabilities** may transfer to the buyer in an acquisition.
- Unclaimed Property is not a tax and generally is **not covered** by the tax representations and warranties.

BMSS recognizes how complicated and overwhelming state and local taxes can be. When buying or selling a business, one of the largest areas of risk is state and local taxes. Traditional due diligence procedures often overlook the exposure related to these taxes. Non-compliance in this area can result in significant issues to the buyer and/or seller. This could mean an unexpected decrease in purchase price for the seller, or unknown state and local tax liabilities for the buyer. We understand the complexity of state and local tax matters. Our state and local tax professionals are available to help you navigate through the merger and acquisition process.

As the buyer, the BMSS SALT Services Group can work alongside your due diligence team when looking to purchase a business. As the seller of a business, before going to market, the BMSS Salt Services Group can provide an analysis of potential risk and exposure in the state and local tax area.

BMSS Salt Services Include:

- Income/Franchise Taxes
- Sales/Use Taxes
- Business Licenses
- Ad Valorem Taxes
- Unclaimed Property
- Any other state specific taxes and licenses

The BMSS SALT Service Group can assist in:



CURRENT COMPLIANCE



QUANTIFYING EXPOSURE



SAFEGUARDING PURCHASE PRICING



FUTURE UNKNOWN TAX LIABILITIES



SALT CONSULTING AND PLANNING



WARRANTY AND IDEMNITY INSURANCE COSTS