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TAX CLEARANCES- PERSONAL TAXES

BY ED TARASKUS

Licensees are aware that in order to renew, transfer, or obtain a PLCB license both the Pennsylvania Department of Revenue and the Pennsylvania Department of Labor and Industry each must issue tax clearances for the licensee. Therefore, the licensee or an applicant for a license has the obligation to be current in both the filing of tax reports and the payment of the taxes due that are associated with those reports. Without the clearances, the respective licenses will not be renewed, validated, and any transfer application or an application for a new license will not be approved.

Licensees may not be aware that the individuals involved in the entity that holds or applies for a PLCB license must be current with their individual personal taxes for the tax clearances to be issued for the PLCB license.

The individual members of limited liability companies holding or applying for a PLCB license have always been required to be current with their individual Pennsylvania personal income taxes in order for their limited liability company of which they are members to obtain the necessary tax clearances.

Recently, the concept of requiring the individual members to be current with their personal taxes has been expanded to the stockholders of corporations holding or applying for PLCB licenses. Therefore, the individual stockholders of a corporation which holds or applies for a license must be current with their personal taxes. The PA Department of Revenue and the PA Department of Labor and Industry will not issue the tax clearances for a corporation where a stockholder is

delinquent in filing and paying the tax due to either of the Pennsylvania taxing authorities.

The PLCB is legally unable to approve a renewal, validation, or the transfer of a license unless the tax clearances are obtained. Therefore, an individual member or stockholder, who has outstanding tax returns due to Pennsylvania, will prevent the tax clearances to be issued and the PLCB license renewed, validated, or transferred. This obviously can be problematic to any of the other stockholders or members of the corporation or the limited liability company.

Obviously, licensees who do not have a current PLCB license must cease sales of alcoholic beverages until all of the tax delinquencies are corrected. Failure to do so may result in a citation being issued against the license by the PA State Police BLCE for sales when the license has not been renewed.

Licensees who find themselves in such circumstances should seek guidance from their lawyer as well as their tax accountant regarding the policies of both the PA Department of Revenue and the PA Department of Labor and Industry. ■

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