

Corporate sales taxes, personal liability, and the Massachusetts Department of Revenue.

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Business owners who are behind on paying their corporate sales taxes may find themselves in a big mess. Generally, these amounts are considered to be held in trust for the Commonwealth. Should corporations fail to pay these sales taxes, the Commonwealth is able to collect the amount due from the officers of the company who are responsible for their collection and payment. Mass. Gen. Laws c. 64H § 16. These corporate officers are also personally obligated for the interest and penalties that stem from overdue corporate sales taxes as well. Berenson v. Commissioner of Revenue, 413 Mass. 831, 832 (1992). This applies even if the corporation has gone out of business. Id. This means that if the sales taxes are not paid by the corporation when due, it can haunt the corporate officer responsible for their payment for years into the future.

If such a situation arises, there could be significant conflict between those that ran the corporation, as people may have different opinions about whether the responsibility for the taxes coincide with the “fault” for not paying them. In the event that you find yourself in such a situation or need advice on what to do with old corporate sales tax debt, feel free to give this office a call.

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