

32nd Annual
Tax Symposium

**FORMS WHICH MUST BE
PREPARED IN CONNECTION
WITH AN ASSET SALE
AND LIQUIDATION AND
DISSOLUTION OF
A BUSINESS**

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**BUSINESS TRANSFEROR'S NOTICE
TO transferee OF UNEMPLOYMENT
TAX LIABILITY AND RATE**

State of Michigan
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
UNEMPLOYMENT INSURANCE AGENCY

 GRETCHEN WHITMER
GOVERNOR

SUSAN R. CORBIN
DIRECTOR

Regardless of any agreement between the parties to the transfer, the Michigan Employment Security (MES) Act provides that when a business is sold (or otherwise transferred), the buyer (or other transferee) of the business may be liable to pay the unpaid unemployment taxes and interest, and may receive the unemployment tax rate, penalty, and the benefit charges of the seller (or other transferor).*

- cumulative benefit charges for the most recent five years,
 - a listing of all individuals currently employed by the transferor, and
 - a listing of all employees separated from employment with the transferor in the most recent 12 months.
- This obligation extends to the transferor's real estate broker, other agent, or attorney.

The law requires the transferor of a business, or the transferor's real estate broker or other agent or attorney, to complete and deliver this form to the transferee of the business. Section 15(g) of the MES Act requires the seller (or other transferee) of the business at least two calendar days (not including Saturday, Sunday, or legal holiday) before the transferor's acceptance of the transferee's offer to acquire the business to disclose:

The information submitted on this form must be current as of the date it is signed. However, this form may be given to a prospective transferee within 90 days of the date it was signed; the form must be delivered to the prospective transferee not less than two calendar days before the transferor's acceptance of the offer.

- the transferee's outstanding unemployment tax liability,
- unreported unemployment tax liability,
- the tax payments,
- tax rates,

Failure of the business transferor or transferor's agent to provide correct information is a misdemeanor, punishable by up to 90 days imprisonment and/or fine of up to \$2,500.00. Civil liability for consecutive damages may also apply, as well as other remedies provided by law.

*In general, a person or business that acquires the organization, trade, business, or 75 percent or more of the assets of a business will be liable for unemployment taxes and interest due the Unemployment Insurance Agency (UIA) from the seller (or other transferor) of the business at the time of the transfer, up to the reasonable value of the business minus any secured interest in assets.

1. Provide a list of the names, addresses, and Social Security numbers of all your employees as of the date you or your agent or attorney signs this form. This will give the transferee the potential number of individuals for whom unemployment tax must be paid, and of the potential number of claimants for unemployment benefits. See separate list.
2. Provide a list of the names, addresses, and Social Security Numbers of all your employees separated from employment for any reason in the most recent 12 months prior to the date this form is signed. This will give the transferee the potential current charges to their account. Not applicable
3. (a) What is the amount of unemployment taxes you have reported to the UIA as owing, but have not yet paid?
\$0.00
(b) What is the interest you owe the UIA on this account? \$0.00
4. (a) Which quarterly unemployment tax reports (give calendar quarters and calendar years) are unfiled with the UIA? (Ex: 1/2016)

NA					

(b) How much do you owe in unemployment taxes for these unfiled quarters? (The UIA may assess interest and penalties on this amount. Interest accrues at 1.0 percent per month, not to exceed 50 percent.) \$0.00

*All of the information you will need to complete question 5 is shown on your annual rate determinations (Form UIA 1771) for each of the years involved. See the next page of this form for the procedure for calculating tax rate from the information below. If you acquired the business less than five years ago, include information only for the period you have had the business, and attach the copy of this form you received from the transferor when you acquired the business (if you acquired the business after April 1, 1990).

5. In the space provided, indicate figures from the 5 most recent years, ending the most recent past June 30th, for the following:
 - (a) the unemployment tax (contribution) payments made in each of those years;
 - (b) the unemployment benefit charges to your account in each of those years;
 - (c) the taxable wages used in those years;
 - (d) the computed unemployment tax rate plus the Section 18(d) penalty, if applicable, for the current and each of the past five calendar years, even if you have paid the rate under protest, and/or you have appealed the rate;

	12 Months Ending 6/30/2011	12 Months Ending 6/30/2010	12 Months Ending 6/30/2009	12 Months Ending 6/30/2008	12 Months Ending 6/30/2007
a. Contributions (taxes) Paid (Includes SUTA Rate Penalty monies)	\$3,045.32	\$2,612.26	\$2,622.11	\$4,009.02	\$5,771.59
b. Benefit Charges	\$6,516.00	\$3,618.00	\$0.00	\$0.00	-\$1,591.61
c. Taxable Wages	\$69,210.58	\$63,273.53	\$70,846.15	\$58,730.40	\$68,399.79

	Calendar Year 20 2012	Calendar Year 20 2011	Calendar Year 20 2010	Calendar Year 20 2009	Calendar Year 20 2008
d. Unemployment Tax Rates	8.60 %	5.70 %	4.00 %	4.50 %	6.00 %
Non Reporting Penalty	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Obligation Assessment	0.00 %	0.00 %	0.00 %	1.46 %	1.74 %
Solvency Rate	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
TOTAL	8.60 %	5.70 %	4.00 %	5.96 %	7.74 %

(e) the Actual Reserve as of the most recent past June 30th: \$27,198.18

(f) the Required Reserve as of the most recent past June 30th: \$21,848.18

(g) the Total Payroll for the 12 months ending the most recent past June 30th: \$574,817.73

CERTIFICATION: I certify that the information contained on this form is accurate and complete to the best of my knowledge and belief. I understand that criminal and civil penalties may apply for failure to provide accurate information on this form.

The person signing this form below is the: Business Transferor Transferor's Real Estate Broker
 Agent of Transferor Attorney for Transferor

Name of Business: _____ UJA Employer Account No.: _____

Signature: Kaitlin A. Brown Date: _____ Telephone: _____

Typed or Printed Name of Signer: Kaitlin A. Brown

Title of Signer: Attorney

NOTE TO TRANSFEREE: The information on this form may be up to 90 days old. Inquire from the Transferor as to updated information.

DECLARATION OF RECEIPT OF INFORMATION BY PROSPECTIVE PURCHASER

Name: _____ Date: _____

Signature: _____ Telephone: _____

UNEMPLOYMENT TAX RATE

A tax rate is composed of the Chargeable Benefits Component (CBC), the Account Building Component (ABC), and the Nonchargeable Benefits (NBC). All rates are figured using the following calculations as provided by Section 19(a)(1) of the MES Act.

Chargeable Benefits Component (CBC):
60 months of benefit charges = CBC
60 months of taxable payroll

The result is rounded up to the next higher 0.1%
The maximum value for the CBC is 6.3%

Account Building Component (ABC):
(Required Reserve minus Actual Reserve) X 0.50 = ABC
12 months of total payroll

The result is rounded up to the next higher 0.1%
The maximum value for the ABC is 3.0%

Nonchargeable Benefits Component (NBC):

If there were Benefit Charges in any of the 5 years shown in question 5b of this form, the NBC is 1.0%. If the CBC was equal to 0.1%, the NBC is 0.5%. If there were no Benefit Charges for those 5 years, the NBC is 0.1%. If there were no Benefit Charges for more than 5 years, the NBC may be as low as 0.06%. See Section 19(5) of the MES Act.

Obligation Assessment (OA):

Section 26a of the MES Act granted the State of Michigan the authority to issue bonds to reduce or eliminate Federal debt incurred by the Unemployment Insurance Agency Trust Fund. On December 29, 2011, the State of Michigan through the Michigan Finance Authority, issued \$3,320,951,556.55 in bonds and retired the debt and accrued interest. The Obligation Assessment (OA) represents the amount required by law to repay the bonds. The OA is levied against all contributing employers and is part of the annual tax rate; however, the OA is not credited to the employer's experience account. The OA is added to the Total Tax Rate. See Fact Sheet #146 for further information. For tax rate year 2011 only there was no OA in effect, but there was a solvency rate for employers with a negative reserve balance. (If applicable, see Form UJA 1771 for the year 2011 to determine if, those rates apply to your account.)

Non-Reporting Penalty:

If any or all quarterly tax reports required for the computation of a tax rate are missing, a non-reporting penalty of 3% is added to the Total Tax Rate in accordance with section 18(2) of the MES Act.

Total Tax Rate: The total rate is calculated by adding the three tax components (CBC + ABC + NBC) plus the OA, and non-reporting penalty, (add your 2011 solvency rate) if applicable.

DIRECT ANY ASSISTANCE IN COMPLETING THIS FORM TO THE OFFICE OF EMPLOYER OMBUDSMAN AT
1-855-484-2636. TTY Service is available at 1-866-366-0004.

THIS FORM MUST BE PROVIDED TO PROSPECTIVE PURCHASERS.

UJA is an equal opportunity employer/program.



Notice of Change

Information shown on this report is used to determine termination of liability under Section 24 of the *Michigan Employment Security (MES) Act*. Completion of this report is required even though you may not be currently employing any workers. Failure to provide this information may result in a determination being made based on information available to Unemployment Insurance. Penalties may be imposed under Section 54(a) or 54(b) of the *MES Act* for an intentional failure to comply with State law.

PART I: EMPLOYER INFORMATION

1. Current name and address.

- a. Employer Account Number (EAN): _____ Federal Employer ID (FEIN): _____
- b. Employer Name: _____
- c. Mailing Address: _____
- d. Telephone: _____

2. Provide the following information concerning the owner(s), partners, corporate officers, LLC member(s), etc., of the organization and the person(s) who safeguard the company's books and records. If necessary, please attach additional pages to provide information on all owners.

- a. Name: _____ SSN: _____ Birth Date: _____
Address: _____
Title: _____ Telephone: _____ Record Holder: Yes No
- b. Name: _____ SSN: _____ Birth Date: _____
Address: _____
Title: _____ Telephone: _____ Record Holder: Yes No
- c. Name: _____ SSN: _____ Birth Date: _____
Address: _____
Title: _____ Telephone: _____ Record Holder: Yes No

3. Reason(s) for discontinuance or transfer of payroll or assets in whole or part (check one or more).

- Sale
- Lease
- Foreclosure
- Merger
- Other (explain): _____
- Reorganization
- Bankruptcy
- Dissolution/Discontinuance
- Death
- New Partnerships
- Incorporation
- No Employees

4. Provide the following information:

- a. Date of last payroll: _____

5. Provide the following information:

- a. Did you discontinue all employment in Michigan? Yes No
If no, how many employees were retained? N/A
- b. Have you continued or resumed business in Michigan? Yes No

If you answered yes to question #5b, complete the section below if the information differs from what was provided in question #1.

Legal Name of Business _____	Address _____
Nature of Business _____	Date(s) Resumed Business _____

Complete Part II and Part III only if your business was sold or transferred.

PART II: NEW OWNER INFORMATION

Please provide the name(s) of the person(s) who acquired the Michigan assets, Michigan organization, Michigan trade, or Michigan business. "Acquired" refers not only to assets purchased, but also assets acquired by rental, lease, use, inheritance, merger, mortgage, foreclosure, gift, or other transfer. If more than one individual or organization is involved, answer all parts of this question for each purchaser, using separate sheets. If preferred, additional forms will be supplied upon request.

New Owner's Name _____	Account Number or FEIN, if known, _____
New Corporation Name or DBA _____	_____
Current Street Address (No PO Box) _____	_____
City, State, Zip Code _____	_____

PART III: ACQUISITION INFORMATION:

Complete this section carefully. It might be necessary to consult your accountant, attorney, or financial advisor for a complete valuation of your entire business to accurately determine the percentage of transfer for each item below.

- Did the above acquire all, part, or none of the assets of any former business?

All	Part	None	What Percentage	Date Acquired
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ %	_____

 - Number of business location in Michigan: 1
 - Number of business location in Michigan that have been discontinued: 1
- Did the above acquire all, part, or none of the organization (employees/payroll/personnel) of any former business?

All	Part	None	What Percentage	Date Acquired
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	83 %	_____

 - If all or part, indicate the percent and date acquired
 - Did the above acquire all or part of the employees/payroll/personnel of any former business by leasing any of those employee/payroll/personnel?

Yes	No	If yes, provide a copy of your lease agreement.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- Did the above acquire all, part, or none of the trade (customers/accounts/clients) of any former business?

All	Part	None	What percentage	Date Acquired
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ %	_____
- Did the above acquire all, part, or none of the former owner's Michigan business (products/services) of any former business?

All	Part	None	What percentage	Date Acquired
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ %	_____
- Was your Michigan business described in 1-4 above being operated at the time of acquisition? If no, enter the date it ceased operation.

Yes	No	Date operation ended
<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____

6. Is the above conducting/operating the Michigan business acquired from you? Yes No
7. Is the above substantially owned, merged, or controlled in any way by the same interests who owned or controlled the organization, business or assets of your business? Yes No If Yes, complete this Form and fill out Schedule B of Form 518.
8. Did the above hold any secured interest in any of the Michigan assets acquired from you? Yes No If Yes, enter balance owed \$ _____
9. Enter the reasonable value of the Michigan organization, trade, business or assets sold or transferred. \$1,200,000.00 _____

CERTIFICATION

I certify that the information contained in this report is accurate and complete to the best of my knowledge and belief. I understand that if I fail to provide accurate and complete information on this form, I may be subject to penalties of up to four times the amount of resulting unpaid unemployment taxes and imprisonment for up to five years.

Name

Date

Title

Telephone Number

When a complete transfer of a Michigan business is involved:

- Your final Quarterly Wage/Tax Report must be filed and paid within 15 days,
- Your coverage will be terminated as of the transfer date,
- If you have persons in your employ after the transfer date of your business, you need to notify Unemployment Insurance immediately to determine if you are liable for taxes on that payroll.

When a partial transfer of a Michigan business is involved:

- You need to continue to report and pay taxes if you have Michigan workers in your employ or until your coverage is terminated.

All documents, agreements or records describing the transactions indicated in Part I Item 4, Part II and Part III above, should be kept available for examination by Unemployment Insurance for six years.

You may submit this Form through your Michigan Web Account Manager (MiWAM) account or via fax to 1-313-456-2130. If you are mailing this form, please send it to Unemployment Insurance, Tax Office, PO Box 8068, Royal Oak, Michigan 48068-8068

If your address changes it is important to update it with Unemployment Insurance.

If you have any questions, contact the Office of Employer Ombudsman (OEO) through your MiWAM account or at 1-855-4UIAOEO (855-484-2636). TTY customers call 1-866-366-0004.

UIA Schedule B - Successorship Questionnaire

Issued under authority of the Michigan Employment Security Act of 1936, as amended, MCL 421.1 et seq. Filing is mandatory for employers.

You must complete all items on this form accurately and completely. Failure to do so may subject you to the penalties provided under the Michigan Employment Security (MES) Act. Attach additional sheets if necessary.

Successorship Reporting Requirement. If you acquired any part of the Michigan assets, trade or business of another employer, as defined in Part 3 of this form, by purchase, rental, lease, inheritance, merger, foreclosure, bankruptcy, gift or any other form of transfer, you must provide the following information. If you made multiple acquisitions, you must file a separate UIA Schedule B for each acquisition (photocopies of this form are acceptable). **If you made no acquisitions, you are still required to complete this schedule.** If subsequent to completing this registration form, you transfer the assets (by sale or transfer), organization (payroll/employees), trade (customers/accounts), or business (products/services), in whole or in part, to a new or previously existing business in Michigan, it is **mandatory** that you notify this Agency **immediately** by completing an additional Schedule B.

UIA Account Number
(if already assigned)

Federal Employer Identification No.

PART I: QUESTIONS ABOUT PRIOR OR CURRENT BUSINESS FORMATIONS, ACQUISITIONS OR MERGERS

For each of the following five business formation, acquisition or merger types, the employer must indicate the pertinent business name, address and UIA Account Number in the space provided.

1. In the past 6 years, you formed, acquired or merged with a business by any means. If not applicable, check box

Business Name and Address	UIA Account Number

a. If you formed a new business, what did you acquire from the previously existing business? (check all that apply)

Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

b. If you purchased, acquired or merged with an existing business by any means (including lease), what assets did you acquire? (check all that apply)

Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

c. What was the business activity of the previous business?

2. At the current time, you are forming, or acquiring, a business by any means. If not applicable, check box

Business Name and Address	UIA Account Number

a. If you formed a new business, what did you acquire from a previously existing business? (check all that apply)

Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

b. If you are purchasing or acquiring an existing business by any means (including by lease), what assets are you acquiring? (check all that apply)

Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

c. Will any owner or owners of the previous business continue to operate or manage the business being registered by this form?

Yes No If yes, provide name, title and business address below.

d. What was the business activity of the previous business?

e. What will be the business activity, if any, of the previous business after the new business being registered is formed?

f. What will be the business activity of the new business being registered by this form?

PART I: QUESTIONS ABOUT PRIOR OR CURRENT BUSINESS FORMATIONS, ACQUISITIONS OR MERGERS (continued)

3. At the current time, you are incorporating an existing business entity. If not applicable, check box

Business Name and Address	UIA Account Number

a. What was the business activity of the business entity you are incorporating?

b. What will be the business activity of the new business being registered by this form?

4. At the current time, you are merging, by any means, with one or more business entities. If not applicable, check box

Business Name and Address	UIA Account Number

a. If you are purchasing or acquiring an existing business by merger, what are you acquiring? (check all that apply)
 Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

b. If you are forming a new business, what are you acquiring from a previously existing business? (check all that apply)
 Land Buildings Furniture/Fixtures Equipment Inventory Accounts Receivable Goodwill
 Employees Trade Customer Accounts None

c. Will any owner or owners of the merging business continue to operate or manage the business being registered by this form?
 Yes No If yes, provide name, title and business address below.

d. What was the business activity of the merging business?

e. What will be the business activity of the continuing business being registered by this form?

5. You are intending to form a business at a future time, by any means. If not applicable, check box

Yes No

If yes, please explain:

PART II: FORMER OWNER INFORMATION	
Former Owner's Name	Former Owner's UIA Account Number or FEIN, if known.
Corporate Name or DBA	Area Code & Telephone Number
Current Street Address (not a P.O. Box)	
City, State, ZIP	

PART III: ACQUISITION INFORMATION

- Did you acquire all, part, or none of the **assets** of any former business?

<input type="checkbox"/> All	<input type="checkbox"/> Part	What Percent? %	Date Acquired	<input type="checkbox"/> None
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- Did you acquire all, part, or none of the **organization** (employees/payroll/personnel) of any former business?
 - If all or part, indicate the percent and date acquired.

<input type="checkbox"/> All	<input type="checkbox"/> Part	What Percent? %	Date Acquired	<input type="checkbox"/> None
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 - Did you acquire all or part of the employees/payroll/personnel of any former business by leasing any of those employee/payroll/personnel?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	(If yes, provide a copy of your lease agreement)
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- Did you acquire all, part, or none of the **trade** (customers/accounts/clients) of any former business?

<input type="checkbox"/> All	<input type="checkbox"/> Part	What Percent? %	Date Acquired	<input type="checkbox"/> None
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- Did you acquire all, part, or none of the former owner's Michigan **business** (products/services) of any former business?

<input type="checkbox"/> All	<input type="checkbox"/> Part	What Percent? %	Date Acquired	<input type="checkbox"/> None
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- Was the Michigan business described in 1-4 above being operated at the time of acquisition? If no, enter the date it ceased operation.

<input type="checkbox"/> Yes	<input type="checkbox"/> No	Month	Day	Year
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- Are you conducting/operating the Michigan business you acquired?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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- Is your Michigan business substantially owned or controlled in any way by the same interests that owned or controlled the organization, business or assets of a former business?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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- Did you hold any secured interest in any of the Michigan assets acquired?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, enter balance owed \$
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- Enter the reasonable value of the Michigan organization, trade, business or assets acquired?

\$

Providing inaccurate or incomplete information in this Registration, or UIA Schedules A or B, will be evidence of intentional misrepresentation and may subject you to the civil and/or criminal penalties in Sections 54 and 54b of the Michigan Employment Securities (MES) Act.

Print Name of Owner/Officer			Signature of Owner/Officer/Authorized Agent
Title	Telephone Number	Date	
Print Name of Owner/Officer			Signature of Owner/Officer/Authorized Agent
Title	Telephone Number	Date	

Attach this schedule to Form 518, Registration for Michigan Taxes and mail it to the Michigan Department of Treasury.



32nd Annual
Tax Symposium

THANK YOU



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