



## REQUIREMENTS FOR OBTAINING *CERTIFICATE OF RELEASE OF BUYER, DE 2220*, WHEN A BUSINESS IS SOLD

### REASONS TO OBTAIN THE CERTIFICATE

Section 1733 of the California Unemployment Insurance Code (**CUIC**) provides that any person or employing unit that fails to withhold money or other property or fails to pay the amount or value of the property withheld from the acquisition of an organization, trade or business, or substantially all the assets of an employer, shall be **personally liable** for the payment of State payroll taxes, interest, and penalties owed or unpaid from the seller up to, but not exceeding, the amount of the purchase price, if certain requirements are not fulfilled.

The buyer of a business is required to withhold, in trust, money or other property sufficient in amount or value to cover the amount due or unpaid from the seller until that seller provides a certificate from the Employment Development Department (EDD) stating that no taxes, interest, or penalties are due.

To avoid personal liability, the buyer should make sure that purchase funds are **not distributed** until the certificate is issued by the EDD. Compliance with Section 3440, [Civil Code of the State of California](#), regarding the publishing of a *Notice of the Intended Sale of Business*, will not relieve buyer of their obligation in this respect.

A *Certificate of Release of Buyer*, DE 2220, is not necessary if the seller is not an employer as defined under Sections 675 and 676 of the CUIC.

Section 1732(b) of the CUIC provides that the issuance of a certificate shall not release the seller of any present or future incurred liabilities.

### ADDITIONAL INFORMATION

For further assistance, please contact the local ETO nearest you as listed below or the Taxpayer Assistance Center at 888-745-3886.

CITY	ADDRESS	PHONE	FAX
• Anaheim	2099 S. State College Blvd., Ste. 401, 92806	714-935-2920	714-935-2930
• Bakersfield	1800 30th Street, Ste. 240, 93301	661-335-7308	661-395-2563
• Oakland	7677 Oakport Street, Ste. 400, 94621	510-877-4851	916-319-1910
• Redding	1325 Pine Street, 96001	530-225-2208	530-225-2209
• San Bernardino	658 E. Brier Drive, Ste. 300, 92408	909-708-8899	909-890-0536
• San Diego	10636 Scripps Summit Court, Ste. 202, 92131	858-880-2500	858-635-3751
• San Jose	906 Ruff Drive, 95110	408-277-9435	408-277-9453
• Santa Fe Springs	10330 Pioneer Blvd., Ste. 150, 90670	562-903-4017	562-903-4095
• Van Nuys	6150 Van Nuys Blvd., Rm. 210, 91401-3384	818-901-5160	818-901-5605

The seller is required to file and pay all final returns within 10 days of quitting business pursuant to Section 1116 of the CUIC.

### HOW TO OBTAIN THE CERTIFICATE

In order to determine the amount of the seller's payroll tax liability, the seller and/or their agent must:

1. Electronically submit the current and delinquent quarter(s):
  - *Payroll Tax Deposit*, [DE 88](#)
  - *Quarterly Contribution Return and Report of Wages (Continuation)*, [DE 9C](#)
  - *Quarterly Contribution Return and Report of Wages*, [DE 9](#)

To file and pay online iwth e-Services for Business, visit [www.edd.ca.gov/e-Services\\_for\\_Business](http://www.edd.ca.gov/e-Services_for_Business).

2. Mail, fax, or bring to the nearest Employment Tax Office (ETO) a completed *Release of Buyer Request Form*, [DE 2220R](#).
3. File and/or pay:
  - Other EDD required form(s)
  - Outstanding payroll liabilities

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids and/or alternate formats need to be made by calling 888-745-3886 (voice) or TTY 800-547-9565.