

**TITLE 12 - DEPARTMENT OF REVENUE**  
**Division 10 – Director of Revenue**  
**Chapter 101 – Sales/Use Tax – Nature of Tax**

**PROPOSED AMENDMENT**

**12 CSR 10-101.600 Successor Liability.** The department is amending section (2).

*PURPOSE: This amendment is updating a statutory reference.*

*PURPOSE: Section 144.150, RSMo makes a person acquiring a business, or the stock of goods or assets of a business, liable for the seller's tax liability. This rule explains how that liability is incurred and what steps must be taken in order for a purchaser to be relieved of this liability.*

(2) Definition of Terms.

(A) Purchase money—any consideration flowing directly, or indirectly through intermediate parties or otherwise, to a seller and is not limited to actual cash transferring directly to the seller.

(B) Stock of goods—the amount of movable personal property and/or inventory of a business.

(C) Purchaser—any “person” as defined in section 144.010.1[(6)], RSMo who, directly or indirectly, purchases substantially all of a business or stock of goods.

*AUTHORITY: sections 144.150 and 144.270, RSMo [2000]2016.\* Original rule filed Nov. 9, 2000, effective May 30, 2001. Amended: Filed Aug. 26, 2005, effective Feb. 28, 2006. Filed July 16, 2025.*

*\*Original authority: 144.150, RSMo 1939, amended 1941, 1943, 1945, 1961, 1987, 1990, 1994 and 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961.*

***Surrey's on the Plaza, Inc. v. Director of Revenue**, 128 S.W. 3d 508 (Mo. banc 2004). The Court held that a successor is liable for tax owed by its predecessor unless the successor both withholds the amount of the tax from the purchase price and remits the amount withheld to the director. The Court also held that a business owner sells “all or substantially all of his or their business or stock of goods” when it sells all or substantially all of the assets of a distinct business or location, even if that does not constitute all or substantially all of the seller's assets.*

***Air Management Supply, Inc. v. Director of Revenue** (AHC 1998). The taxpayer purchased a car and some records from its predecessor. The AHC ruled that in order to be liable as a successor, a taxpayer must purchase all or substantially all of a business or stock of goods.*

***Winchell's Donuts Houses Operating Co. v. Director of Revenue*** (AHC 1998). The taxpayer entered into a lease and license agreement of a donut shop with an individual. The licensing agreement required the individual to pay all taxes incurred in the operation of the business. The individual failed to pay federal taxes and the IRS enforced its lien, locking the doors of the donut shop. The taxpayer was forced to pay for the food inventory to protect its interest in the real property and equipment. Although taxpayer acquired the stock of goods (food inventory), because they were acquired as a result of an enforcement action by a creditor, the taxpayer was not liable as a successor.

***Kim Poore v. Director of Revenue*** (AHC 1997). The taxpayer maintained that the seller of the business had committed fraud by not disclosing certain encumbrances. The AHC held that the taxpayer was nevertheless liable as a successor.

***Stuffin's Corp. v. Director of Revenue*** (AHC 1993). The AHC held that the successor liability imposed upon a purchaser may be greater than the purchase price paid for the business.

*Public Cost: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.*

*Private Cost: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.*

***NOTICE TO SUBMIT COMMENTS:*** Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Revenue, Legislative Office, 301 West High Street, Room 218, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.