



## 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 \(CUIC\)](http://leginfo.ca.gov/faces/codes.xhtml) ([leginfo.ca.gov/faces/codes.xhtml](http://leginfo.ca.gov/faces/codes.xhtml)) 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 as provided in sections 1731 and 1732 shall be **personally liable** for the payment of contributions, interest, and penalties due from the employer up to but not exceeding the purchase price. Section 1733 of the CUIC applies upon the acquisition of an organization, trade or business, or substantially all the assets of an employer.

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.

For further assistance, please contact the local [ETO](http://edd.ca.gov/office_locator) ([edd.ca.gov/office\\_locator](http://edd.ca.gov/office_locator)) nearest you as listed below or the Taxpayer Assistance Center at 1-888-745-3886.

CITY	ADDRESS	PHONE	FAX
Anaheim	2099 S. State College Blvd., Ste. 401, 92806	1-714-935-2920	1-714-935-2930
Bakersfield	1800 30th Street, Ste. 240, 93301	1-661-335-7328	1-661-395-2647
Oakland	7677 Oakport Street, Ste. 400, 94621	1-510-877-4851	1-916-319-1910
Redding	1325 Pine Street, 96001	1-530-225-2208	1-530-225-2209
San Bernardino	658 E. Brier Drive, Ste. 300, 92408	1-909-708-8899	1-909-890-0536
San Diego	10636 Scripps Summit Court, Ste. 202, 92131	1-858-880-2500	1-858-635-3751
San Jose	906 Ruff Drive, 95110	1-408-277-9435	1-408-277-9453
Santa Fe Springs	10330 Pioneer Blvd., Ste. 150, 90670	1-562-903-4017	1-562-903-4095
Van Nuys	6150 Van Nuys Blvd., Rm. 210, 91401-3384	1-818-901-5160	1-818-901-5605



### ADDITIONAL INFORMATION

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:

- 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)

File and pay online with [e-Services for Business](http://edd.ca.gov/e-Services_for_Business) ([edd.ca.gov/e-Services\\_for\\_Business](http://edd.ca.gov/e-Services_for_Business)).

- Mail, fax, or bring to the nearest Employment Tax Office (ETO) a completed [Release of Buyer Request Form \(DE 2220R\)](http://edd.ca.gov/pdf_pub_ctr/de2220r.pdf) (PDF) ([edd.ca.gov/pdf\\_pub\\_ctr/de2220r.pdf](http://edd.ca.gov/pdf_pub_ctr/de2220r.pdf)).
- 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 1-888-745-3886 (voice) or TTY 1-800-547-9565.