

(2) THE TRANSFEREE OR AUCTIONEER knows that the [vendor,] transferor[, or assignor] owes any sales and use tax.

[(d)] (B) If the Comptroller finds that [a vendor,] THE transferor[, or assignor] owes sales and use tax, the Comptroller shall [give the buyer notice of] FILE A claim for sales and use tax due from the [vendor,] transferor[, or assignor] AT THE ADDRESS REQUIRED IN THE NOTICE TO CREDITORS.

[(e)] (C) If the Comptroller [gives a buyer notice of] FILES A claim [for sales and use tax] under subsection [(d)] (B) of this section, the [buyer may not transfer] TRANSFEREE OR AUCTIONEER SHALL WITHHOLD the amount stated in the claim FROM DISTRIBUTION TO THE [to the vendor,] transferor[, or assignor] in a bulk sale].

13-802.

If the [buyer,] transferee[, or assignee] AUCTIONEER in a bulk transfer fails to file the notice required in § 11-505 of this article or to retain consideration in an amount equal to the claim of the Comptroller for unpaid sales and use tax:

(1) any consideration in the bulk transfer is subject to a first priority right and lien for any sales and use tax that the [seller,] transferor[, or assignor] owes to the State; and

(2) the [buyer,] transferee[, or assignee] AUCTIONEER is personally liable for the sales and use tax, interest and penalties that the [seller,] transferor[, or assignor] owes to the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 1989.

Approved May 17, 1988.

-----

CHAPTER 283

(Senate Bill 250)

AN ACT concerning

Sales and Use Taxes - Prohibition of Local Taxes

FOR the purpose of prohibiting local sales or use taxes; providing exceptions to the prohibition; providing for the effect of the prohibition on local taxes; clarifying