



**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
**REPORT OF BULK SALE OR TRANSFER**  
**(Pursuant to section 237-43, Hawaii Revised Statutes (HRS))**

**Please read the Important Notice, Definitions, and Instructions on the back before preparing this form.**

Name of Purchaser \_\_\_\_\_ Name of Seller \_\_\_\_\_  
Address \_\_\_\_\_ DBA \_\_\_\_\_  
Address \_\_\_\_\_

Hawaii Tax I.D. No. **GE** \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
Last 4 digits of your Social Security No. or Federal Employer ID No. \_\_\_\_\_  
Hawaii Tax I.D. No. **GE** \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
Last 4 digits of your Social Security No. or Federal Employer ID No. \_\_\_\_\_  
Name of Parent Corp. (If applicable) \_\_\_\_\_  
Parent Corp.'s last 4 digits of Federal Employer ID No. \_\_\_\_\_

Description and Value of Property Sold or Transferred as listed below:

Inventory of Stock in Trade (General Excise Tax - Taxable at 0.5%).....

Furniture and Fixtures.....

Machinery and Equipment.....

Land and Buildings.....

Covenants Not to Compete (General Excise Tax - Taxable at 4%. County Surcharge Tax - Taxable at 0.5% if the transaction is assigned to Oahu, Hawaii or Kauai) .....

Goodwill and Other Intangibles (See Instructions) .....

Other Assets (Please describe) \_\_\_\_\_

**TOTAL** .....

Purchase Price	
\$	
\$	

Date of Sale \_\_\_\_\_ Date of Filing Report \_\_\_\_\_

**Please answer the following questions:**

1. Does this transaction terminate the business of the seller? (If yes, all general excise tax returns for income received up to the date of the sale must be filed and paid. **NOTE: Net income tax returns for the year being closed must be filed and any tax due must be paid by the due date of the return.**) .....
2. Did the seller ever receive any property in a transaction for which a report under section 237-43, HRS, was required but was not filed? If yes, attach a statement fully describing the transaction(s) and the property involved .....
3. Was a tax clearance certificate issued to the seller? If yes, date issued \_\_\_\_\_ (Attach a copy) .....
4. Are the seller and purchaser affiliated companies or persons within the meaning of section 231-3.1, HRS, or is the sale or transfer made under other circumstances where the relation between the seller and purchaser is such that the consideration paid, if any, is not indicative of the true value of the property sold or transferred?.....  
If yes, please describe how the purchase price was determined. \_\_\_\_\_

	YES	NO

The undersigned declares, under the penalties set forth in section 231-36, HRS, that this is a true, correct and complete statement of facts.

Signature of Purchaser, if this report is made by Purchaser \_\_\_\_\_ Signature of Seller \_\_\_\_\_  
Type or Print Name of Purchaser \_\_\_\_\_ Type or Print Name of Seller \_\_\_\_\_

**Address of where to mail copy of Report of Bulk Sale or Transfer (and/or other correspondence)**

\_\_\_\_\_

**Contact Person Name:** \_\_\_\_\_ **Telephone No.** \_\_\_\_\_

**CERTIFICATE OF DIRECTOR OF TAXATION**

This is to certify that the Report of Bulk Sale or Transfer required by section 237-43, HRS, has been filed, as shown above, and that all taxes, penalties and interest due on the date of this certificate have been paid. This certificate shall be voidable by the Department of Taxation if any material misrepresentation has been made in this report.

DIRECTOR OF TAXATION

Date of Certificate: \_\_\_\_\_ By: \_\_\_\_\_

## **IMPORTANT NOTICE**

Use this form to obtain certification from the Department of Taxation (Department) that the seller paid all its Hawaii taxes (including penalties and interest) as of the certificate date. If the Department's certification is not obtained or the seller's Hawaii taxes are not paid within 20 days after the sale or transfer or within the time frame allowed by the Department, the purchaser is personally liable and required to pay the seller's unpaid Hawaii taxes (including penalties and interest) up to the purchase price. For this reason, the purchaser must not pay the seller the purchase price until the Department certifies the form by completing the "Certificate of Director of Taxation" section.

The seller must file this form with the Department within 10 days after the purchaser possesses, controls, or obtains title to the property in whole or in part. Alternatively, the purchaser may file this form for the seller.

### **DEFINITIONS**

**"Property"** means anything that may be the subject of ownership, including every kind of asset, whether real or personal, tangible or intangible, and without limitation, such as land and buildings, goodwill, notes, accounts, and other intangible property. The term "property" shall not include any interest in residential real property.

**"Purchase price"** means the total fair market value, as of the date of sale or transfer, of all property transferred, whether or not money or property is exchanged therefor.

**"Purchaser"** means any person who receives property in a bulk sale or transfer, whether or not money or property is exchanged therefor.

**"Sale"** means the transfer of property for compensation.

**"Seller"** means any person who sells or transfers any property in bulk sale or transfer, whether or not money or property is exchanged therefor.

**"Transfer"** means the sale, conveyance, or distribution by any mode, direct or indirect, absolute or conditional, voluntary or involuntary, of title to or beneficial ownership in property, or interest therein. The term "transfer" does not include a bona fide, arm's length:

- (1) Creation, modification, or termination of a lease interest;
- (2) Creation, modification, or release of a lien or encumbrance; or
- (3) Transfer occurring as a result of the enforcement of a lien.

### **INSTRUCTIONS**

**Inventory** - Sale of inventory in a bulk sale or transfer is taxable at the general excise tax rate of 0.5%. The tax due must be reported on Form G-45 and paid with a cashier's check with this report. Enter the sale of inventory on the "Wholesaling" line of Form G-45, and write "Bulk Sale" on the blank space next to "Wholesaling."

**Covenants Not to Compete** - Sale of covenants not to compete in a bulk sale or transfer is taxable at the general excise tax rate of 4%. The sale of covenants not to compete is also subject to the county surcharge tax at 0.5% if the transaction is assigned to Oahu, Hawaii or Kauai. The tax due must be reported on Form G-45 and paid with a cashier's check with this report. Enter the sale of covenants not to compete on the "Interest and All Others" line of Form G-45, and write "Covenants" on the blank space next to "Interest and All Others."

**Goodwill** - Sale of goodwill is not subject to the general excise tax.

**Outstanding Taxes** - If there are any outstanding taxes due or taxes owed, a cashier's check must be submitted with the tax returns or delinquent tax bills in order to process the report of bulk sale or transfer.

**Who Must File** - The report of bulk sale or transfer must be made by the seller. However, the purchaser may make this report for the seller.

**When to File** - The report of bulk sale or transfer must be made no later than **10 days** after the possession, or the control, or the title of the property, or part thereof, has passed to the purchaser.

**Where to File** - The report of bulk sale or transfer should be mailed to:

**HAWAII DEPARTMENT OF TAXATION**  
P. O. BOX 259  
HONOLULU, HI 96809-0259  
808-587-4242  
1-800-222-3229

For additional information, please refer to Tax Information Releases Nos. 91-10 and 95-2.