

How to Confirm that a Sale of a Tobacco Retail Store Is Legitimate

When a tobacco permit holder has sold the business, or purports to have sold the business, the board of health may want to ensure that the sale is a legitimate sale and transfer resulting in new ownership. This should avoid sham sales aiming to avoid fines or other penalties. No permits will be issued or transferred unless and until all outstanding penalties and suspensions incurred by the previous permit holder are satisfied in full. Confirming the sale is legitimate is also important because the new owner will begin with a clean slate.

To check that the sale is legitimate, the board of health may require some or all of the following information:

1. Are all the standard sales documents present? Some standard sales documents include:
 - a. Purchase and sale agreement for the business or bill of sale;
2. Does the sales price reflect the value?
3. Proof of other municipal- and state-issued permits with new owner's information, some relevant permits include:
 - a. Liquor license
 - b. Building permits
 - c. Lottery license
 - d. Milk permit
 - e. Food Service Permits
4. Are there new corporate officers?
 - a. Massachusetts Secretary of State Articles of Organization: All MA corporations are registered through the Secretary of State and can be looked up here:
<https://corp.sec.state.ma.us/corpweb/CorpSearch/CorpSearch.aspx>
5. Has the lease been changed to show the new permit holder is the tenant?
 - a. Check lease agreement/lease assignment
6. Does new permit holder have the requisite state and federal tax forms?
 - a. Internal Revenue Service tax payer ID number attached to the business
 - b. Department of Revenue tax filing
 - c. Department of Revenue tobacco licenses
7. Are utilities in the name of the new permit holder?

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