

Answer ID 92
Select a Category Licenses/Permits/Decals New Registration for Business Taxes New Business

Who needs a sales tax permit?

Question

Q. I am purchasing an existing business, do I need to obtain my own Sales and Use tax permit?

Answer

A. You must obtain a Sales and Use Tax Permit from the Department of Revenue Services (DRS) if you intend to engage in any of the following activities in Connecticut:

- Sale, rental, or lease of goods;
- Sale of a taxable service; or
- Operation of a hotel, motel, or lodging house.

You must obtain a Sales and Use Tax Permit before making any sales. If you purchase an existing business, you may not use the Sales and Use Tax Permit issued to the previous owner; you must obtain a new Sales and Use Tax Permit. If you will have more than a single place of business, you must obtain and display a Sales and Use Tax Permit for each location.

The requirement to obtain a permit applies to individuals, corporations, partnerships, and all other entities that will make sales in this state, regardless of the number of sales made or the amount of tax collected. (Note: These rules do not apply to casual sales or isolated sales, which are infrequent sales of a nonrecurring nature made by a person not engaged in the business of selling tangible personal property or taxable services.) Manufacturers and wholesalers, as well as retailers, must obtain a permit. As a seller, you are responsible for collecting sales and use taxes and you are liable for their payment whether or not you collect them as required from your customers. You must file returns and pay the full amount of tax due to DRS. Failure to obtain a tax permit will result in a fine of not more than \$500 or imprisonment of not more than three months, or both, for each offense.

If a business is located outside the state, but has any physical presence in Connecticut (owning or leasing real or tangible personal property, maintaining an office, or having employees or agents present in this state), it must register to collect Connecticut use tax on sales to Connecticut customers and must obtain a Connecticut Sales and Use Tax Permit.

If the business does not have any physical presence in Connecticut, but wishes to register to collect Connecticut use tax, it may also register for authority to collect use tax. For information on how to register, visit our [Registration Page](#).

This answer is intended to provide general information concerning a frequently asked question about a current position, policy, or practice associated with the taxes administered by the Connecticut Department of Revenue Services. It may include an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS). However, it is not intended to serve as a legal ruling.