M&A CONTINGENT TAX LIABILITIES | FOR CPA & ACCOUNTING FIRMS

The Tax Liability in Your Client's Deal Won't Find Itself.

Buy-side and sell-side indirect tax diligence, with ASC 450-20 contingent liabilities counted under your brand.

Unresolved sales and use tax liabilities do not disappear at close. They transfer. Successor-liability laws in most states make the buyer responsible for a target's pre-deal tax, even in many asset deals. Under ASC 450-20, contingent liabilities that are probable and can be estimated have to be booked, and the ones found within a year of the acquisition usually flow into purchase accounting and goodwill. Whatever diligence misses, the buyer inherits and pays for.

Exactera and L3i let your firm put a real number on what is there before the deal closes, and clean it up after. The platform reviews the target's full transaction history to find nexus, unfiled obligations, and successor-liability exposure, and delivers a risk-tiered, diligence-ready report inside deal timelines. On the buy-side, it prices the risk. On the sell-side, it clears the liabilities before they knock down the deal value. What your team learns on one deal is captured too, so the next diligence starts from your firm's knowledge, not a blank page.

OUR APPROACH

01

Identify the Exposure

Review the target's transaction history to surface nexus, unfiled obligations, and successor-liability triggers, and put a dollar figure on the exposure by state before the deal closes.

02

Apply ASC 450-20

Put a number on the probable and estimable sales and use tax liabilities under ASC 450-20, covering tax, interest, and penalties by state, with documentation ready for the diligence data room and purchase accounting.

03

Deliver the Diligence Report

Risk-tiered findings, liability summaries by state, and clear paths to resolution, including post-close VDAs, built for the deal team, the general counsel, and the post-close integration.

WHO WE SERVE

- Private-equity and strategic buyers running buy-side diligence
- Sell-side clients clearing indirect tax liabilities before going to market
- Corporate M&A teams managing post-close ASC 450-20 compliance

What your client doesn't find in diligence, they inherit at close. Let's look before they sign.

Compliance Grade AI, Verified by Design

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