



Options to Reduce Penalties for Late Tax Payments

Board of Supervisors Budget Committee Meeting

June 2, 2020

Actions Taken to Date

- On March 24, the Board approved two resolutions extending deadlines for both Personal Property and Real Estate taxes
 - The first resolution extended the deadline to file returns for Personal Property taxes by one month from May 1 to June 1, 2020
 - The second extended the deadline to pay the first half of Real Estate taxes by 30 days from July 28 to August 28, 2020

Recommended Adjustments to Late Payment Penalties

- Staff recommends adjustments to late payment penalties for Personal Property and Real Estate to further assist taxpayers experiencing financial hardships
 - Reducing the penalty for late payment normally assessed on first day after due date
 - Eliminating the additional penalty for late payment normally assessed on personal property taxes past due over 30 days
 - Eliminating other administrative fees (do not require ordinance changes)
 - These adjustments would be applicable for tax year 2020 only

Recommended Penalty and Interest Rules

Personal Property		Real Estate	
Original Bill:*		Original Bill:	
Day 1 after due date:	40% 5% late payment penalty 5% interest per annum	Day 1 after due date:	40% 5% late payment penalty 1% interest per annum
Day 31 after due date:	15% additional late payment penalty		
45 days after due date:	Administrative Fee of \$30		
April/November	DMV Hold of \$25		
90 days after October and February billings	Collection Agency fee of 20% (not applicable if payment plan established)	April annually	Collection Agency fee of 20% (not applicable if payment plan established)

* Vehicles not registered within 60 days of move in or purchase, or business tangible property tax returns not filed by the due date (extended to June 1 this year), are assessed a 10% late filing penalty and added to the amount of the tax due in the original bill.

Approval Timeline

- June 2 Discussion at Budget Committee
- June 9 Board Agenda Item for approval to advertise Ordinance changes
- June 23 Board Agenda Item for approval