

BOYLE COUNTY FISCAL COURT
OCCUPATIONAL TAX COLLECTION POLICY
Rev. 04/03/2019

The primary goal is centered on having all taxpayers compliant with the Occupational License Fee Ordinance set forth by the Boyle County Fiscal Court. (Ordinance No. 220.4) In an effort to facilitate compliance, the following Collection Policy is being set forth.

This Collection Policy begins with discovering who is doing business in the City of Danville, Kentucky and/or Boyle County jurisdiction(s).

The taxpayer obtains a City business license, if applicable. An account number is assigned to all taxpayers.

The taxpayer files the appropriate required returns. The returns are posted upon receipt using the Post Office date stamp as a guide when posting returns that may cross over into the next month and trigger a delinquency. Those returns without payment, include only a partial payment, or are considered late are designated as delinquent.

Audit adjustments are also entered into our system when the in-house audit indicates an error on the return as it was filed. The adjustment may result in an additional tax due or may create a credit balance on the tax period return.

After the Occupational Tax office staff person notifies the taxpayer of additional tax due, the taxpayer is expected to remit the payment before the due date listed on the return or the return will be considered delinquent.

Monthly reports are executed to identify delinquent accounts.

As necessary and when appropriate, other methods are employed to ascertain the whereabouts of the delinquent account holders. These methods may include, but are not limited to, phone calls, emails, use of social media, examination of Secretary of State records, and onsite visitations by members of the Tax Administration staff.

When an account has reached the status of a delinquent, penalty and interest fees are applied, recalculated monthly, and the following procedures are followed:

1. Internal Collection Process

This is the first step of the process that begins when account is identified as delinquent and carries the process through the 90th day.

- a. *Original Request Letter* – Once an account, with a delinquent balance, reaches 30 days delinquent, this first formal letter is sent to the account holder. Along with the letter, a statement of the account (with appropriate penalties and interest) is provided to the account holder. Telephone calls and/or emails will be incorporated before and after sending an Original Request Letter.
- b. *Follow-Up Request Letter* – This second notice or letter is sent once the Delinquent Account reaches 60 days old. This letter will be sent Certified / Registered and will serve as a continuous attempt to establish a cooperative environment that allows the account holder to request assistance and ask relevant questions to further the collection process. This second notice will serve as a reminder that the account is still delinquent.

- c. *Demand Letter* – This third and final letter will be sent once the Delinquent Account reaches 90 days old. This Letter of Demand will be sent Certified / Registered and will explain to the taxpayer that their account will be forwarded to our County Attorney and further collection actions will be pursued. A final deadline (possibly 10-15 days from the date of the Letter of Demand) will be implemented.
- d. *Payment Plan (Contract between Tax Administration Office and Taxpayer)* – In conjunction with the aforementioned letters, the taxpayer will have the opportunity to enter into a payment plan. This payment plan will afford the taxpayer an option to breakdown their balance into smaller more manageable installments. Preference will be given first to the current ongoing balances and then to prior balances and finally to any appropriate penalties and interest.

2. Intermediary Collection Process

The second step of the process where delinquent accounts are turned over to the Boyle County Attorney for collection.

- a. The County Attorney will send an ultimatum. Compliance will be demanded and restitution will be required. This ultimatum will be in the form of a legal letter, prepared in conjunction with the Tax Administration office and the County Attorney. A period of 10 days will be granted before appropriate legal proceedings will be pursued.
- b. The County Attorney will follow up this letter by filing an Official Complaint against the delinquent account.
 - i. For balances up to \$2,500, the Attorney will file the proper paperwork designed to initiate Small Claims action.
 - ii. For balances between \$2,500 and \$4,999, Civil Court will be utilized, with the Attorney filing appropriate paperwork.
 - iii. For balances between \$5,000 and \$10,000, the taxpayer will be summoned to appear in Circuit Court. The paperwork will be filed by the County Attorney.
- c. Any and all Complaints that lead to a judgement will be filed with the County Clerk and enforced by way of any and all collection methods authorized by Kentucky Law. These collection methods will include, but not limited to, the garnishments of wages, and liens on Real Estate, or other personal property.

3. External Collection Process

The final step of the process where appropriate alternative collection procedures will be pursued for the collection of delinquent accounts.

- a. *External Collection Agency* – Upon determining the need to continue the collection procedure, the Tax Administration Office will engage the services of an External Collection Agency. The agency will use a variety of methods at their disposal and discretion to facilitate the collection process.
- b. *Credit Reporting Service* – Once the account passes the 60 day mark with the External Collection Agency, the agency will report the taxpayer to all three major Credit Reporting Services (Transunion, Experian, and Equifax).