

TACS FACTSSM

A Resource for Government Finance Professionals on Developments and Trends in Collection, Assessment, Bankruptcy and Other Areas

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Using Press Releases - How and Why

By Jeffrey Scharf, Partner, TACS

When your office or a member of your staff has achieved something special, such as achieving a certain professional certification; how do you let your Board or Council know about it? When your office does something extraordinary; how do you let your constituents know about it?

The importance of good communication cannot be underestimated. But, sometimes there is a question about how to best communicate your message. A press release can help you spread your message beyond the small pool of people you interact with regularly and help keep your name and your

WHO IS TACS?

Taxing Authority Consulting Services, P.C. is a Virginia law firm formed to meet the needs of treasurers and local tax officials. TACS's Partners (Jeffrey Scharf, John Rife, Mark Ames and Andy Neville) and our other attorneys and staff are dedicated to serving the needs of local taxing authorities. TACS' focus is on

office in the news and in the minds of your constituents.

What is the purpose of a press release? It's basically to get attention, share information, news and developments on your terms. It's free publicity and can be used to stimulate awareness of your office and what you have accomplished.

How do I write a Press Release:

First, figure out what you want to convey. Remember, this is news and not advertising, so it should be written as a news article and should be timely. That means your release should answer the key questions: What? When? Where? Who? Why? and How? You should also limit your release to one topic, whether it be Career Development Certification of staff; tax collection results; or a new program. You should also use an attention-grabbing headline so the news organization (and eventual public) have their interest piqued. ▶

tax collection, assessment and bankruptcy issues faced by governments. TACS can provide assistance to your locality to help increase your revenue. Please contact us at (804) 649-2445 or by e-mail to info@taxva.com to discuss your collection needs or for more information about the firm.

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"TACS"ing Thoughts

"No government could exist, that permitted the collection of its revenue to be delayed by every litigious man or every embarrassed man, to whom delay was more important than the payment of costs."

-Ward Hunt,



What to Include (and what to Omit):

There are some essential elements you should include in your press release. For one, you want to make sure it is on your letterhead so it's apparent where it came from. You also want to include the date to indicate that it is current and timely information. You should also indicate that it is "For Immediate Release" and provide a contact name, number and e-mail address for more information.

Your press release does not have to be long. In fact, it should be less than a page. Make sure in the first paragraph to identify your organization before addressing the "W" questions (who, what, when, why, where). You should also include additional supporting information and provide a quote from the office or officer most involved in the subject of the release.

Since this is being provided as a news story, it should not be written in the first person and should be evidence based and documentable. And please make sure it is proofread by several people before being released.

Where do I send my Press Release:

Generally, your locality will only have one or two media outlets for you to forward your release. In some cases, there may also be a regional paper/news outlet that you may want to reach. You should consider developing and maintaining a list of media contacts to send your press releases to, with specific e-mail addresses or other means of distribution. Your local government may already have a list of these contacts.

United States
Supreme Court
Justice (1872-
1882)



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Please also visit our website for more information about the firm, our newsletter archive and sample forms and letters.

Please contact us at info@taxva.com or (804) 649-2445 if you need help

registering or to gain access to the site.

There are also other ways to get your message out via the media. As the Board or Council meetings are covered by the press, you may be able to get your message out by speaking or presenting before the governing body. The local press may then follow up and run a story about your presentation. In addition, you can post the release on your website and on the locality's website, and also make it available via social media.

Press releases communicate important information to your local government and to the general public. Having a well thought out press release, with appropriate contact information, should result in a well-organized, relevant article that is newsworthy for your community and will engender a positive reflection for your office. ♦

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City Undertakes Efforts to Retrieve Meals Taxes from Restaurants

March xx, 2019

FOR IMMEDIATE RELEASE

Building on the improvements that the City of XXXXX has made in collecting its delinquent accounts, the City has undertaken more serious efforts to retrieve unpaid meals tax funds that restaurants have collected and failed to pay over to the City.

"These are City funds that the restaurant collected from regular patrons and should have been paid to the City," says Ilene U. Wages, City Treasurer. She continued, "Instead the owners have misappropriated these funds and, as required by law, we need to bring them into compliance."

In Virginia, meals taxes are collected from the patron by the local restaurant. The restaurant holds these funds and is to report the taxes collected monthly and pay the amount to the local government. "This boils down to a fairness issue. The money is not the restaurant's money and failure to pay this over puts a larger burden on law abiding taxpayers.", Ms. Wages stated.

To date, the City has collected nearly \$500,000 in the last year in delinquent accounts. Through litigation, levy and summonses to delinquent meals tax establishments and owners, these collection efforts have proven successful and will continue.

As a part of its campaign to collect these funds, the City is reaching out to non-compliant restaurants to voluntarily bring their establishment into compliance. If the non-compliant restaurants willfully fail to do so, the Treasurer will take the actions necessary to enforce compliance including personally assessing the responsible officers of the businesses, levying bank accounts, filing law suits and seizing the property of the delinquent as authorized by State Code.

FOR ADDITIONAL INFORMATION CONTACT:

Ilene Wages, Treasurer (804) 555-1212; iwages@city.gov

FREQUENTLY ASKED QUESTIONS, ANSWERED:

Q: After a bankruptcy case, we are in the position to abate/charge off some items

that were included in bankruptcy that we have determined are now discharged. Can you tell me if this is something the Treasurer has the authority to do or is it something that should be done by the Commissioner of Revenue? We are not sure if we have the authority to take a charge off the system.

A: Under the Code, the Treasurer has the authority to determine taxes as being uncollectible in bankruptcy and to write them off under Code of Virginia §58.1-3924. That section provides (in part). *"...Any such discharged or uncollectable obligation shall be stricken from the books of the treasurer as of the date the obligation is discharged or otherwise rendered uncollectable, and the treasurer thereafter shall have no further duty to collect such tax or levy."*

Of course, you might have other systems limitations that make this infeasible. Nonetheless, the authority is clearly there for you to initiate this action.

Q: I have a question about bank liens. I placed a lien on a bank account belonging to a business. Once the business received the lien, the owner applied to the Commissioner of Revenue for a correction of the assessment. I know that once an appeal is placed, collection action must cease until the appeal is finalized. In this case, however, am I obligated to release the lien based on the application for correction after the fact or does it still stand since the lien was placed before the appeal was filed?

A: While you are correct that collection action needs to cease upon an appeal, it is only certain timely filed appeals. In order for collection action to be stopped, the appeal has to be filed "within 90 days of the assessment". Code of Virginia §58.1-3916 provides, in part:

No tax assessment or tax bill shall be deemed delinquent and subject to the collection procedures prescribed herein during the pendency of any administrative appeal under § 58.1-3980, so long as the appeal is filed within 90 days of the date of the assessment, and for 30 days after the date of the final determination of the appeal, provided that nothing in this paragraph shall be construed to preclude the assessment or refund, following the final determination of such appeal, of such interest as otherwise may be provided by general law as to that portion of a tax bill that has remained unpaid or was overpaid during the pendency of such appeal and is determined in such appeal to be properly due and owing.

So you need to determine whether this appeal was timely made under the Code. If not, you can continue collections. If the appeal is timely, the Code says that collection action is stayed during the pendency of the appeal. I am not sure that would apply to actions taken prior to the appeal being filed. The Code says they are not considered delinquent but I would argue that it is only effective from the time of the appeal. If you took action before the appeal therefore, I think you can maintain that action but would not be able to take other collection actions if the appeal is timely made.

I understand that the taxpayer has a strong counter argument-that their appeal is timely, so you should not be able to collect; but if that were the correct interpretation, the 90 day appeal window would create a vacuum where the Treasurer couldn't act without fear that those actions would have to be recalled if the appeal is then filed.

Q: If someone is listed as a Registered Agent of a business and the business owes delinquent taxes, am I able to pursue collections against the registered agent and hold him responsible for the taxes? In this case, the company's status has been canceled according to the SCC website.

A: Just being listed as a registered agent for a business does not impose liability on that individual. In fact, it does not even mean that the person listed is involved in the business. It could just be a local attorney serving that limited role.

Once a corporation is defunct, there are only a few options to collect delinquent taxes as generally, you cannot take collection against an individual for the debts of a business. In some instances though, an individual can be held liable such as where the business has failed to collect and/or pay over trust taxes (meals tax, hotel tax, etc.).

A corporate officer can also be liable if he received a distribution from the corporation while the taxes went unpaid. This usually occurs when the business is closing. If an individual receives assets from the business, you can impose liability on him under Code of Virginia §58.1-7 as the recipient of a corporate distribution. You may also be able to pursue specifically assessed property and seize it for taxes that are unpaid per Code of Virginia §§58.1-3941-42. If you know where the assets of the business are (even if in the hands of a new owner) you can seize it for the taxes assessed on the property.♦

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