



Volume XIV, Issue 4

Autumn 2019

Bringing you news and information about Virginia local taxes

WHO IS TACS?

Taxing Authority Consulting Services, P.C. is a Virginia law firm formed to meet the needs of treasurers, assessors and local tax officials. Attorneys Jeffrey Scharf, Mark Ames, John Rife, Andrew Neville, Ray Warren, Paul LaBarr and Greg Haynes are dedicated to serving the needs of local taxing authorities. TACS' focus is on 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 needs or for more information about the firm.

Our Humanity...Our Strength

By Andrew Neville, TACS

Can't live with them, can't live without them. Humans. They're everywhere. Yet, the one common trait that unites all of us is that we are all human (although, I have my doubts about the Australian kid who can solve a Rubik's cube blindfolded in 16.22 seconds).

In the idealistic "perfect world" we would be surrounded by computers, algorithms, robots, etc; and to some extent we already are - check your pocket or purse (or your fancy belt clip if you're Jeff Scharf or Gary Sabean) for your smartphone if you disagree. We would be able to plug a formula in and trust that the job would get done (or that the bill would get paid), because that's what the machine was programmed to do. We would be able to simply upgrade the system, rather than fire and re-hire to fill a role. We would be able to tell the machine to start a job at night, and wake up to it having been

completed. But machines can't go out to lunch, computers can't put themselves in another human's shoes, and things don't always work as expected.



We are all human. If you're like me, that means you go through your day, your month, your year, and your life having your ups and downs. You laugh, you get frustrated, you achieve goals, you get stressed, and you interact on a *daily* basis with other humans (even if that interaction may not always be physically face-to-face anymore).

We are all human. And it is because of our humanity that those daily interactions with other humans give rise on their own to feelings of joy, frustration, accomplishment, stress, etc. But it is the fact that we are all human, and the fact that we get to interact with other *humans*, that makes those feelings and emotions possible and meaningful.

We are all human. And those human emotions are why it becomes so much harder to sell a person's house when they're pleading with you face-to-face despite the fact that you have already been through six payment plans with them. Those human emotions, and the life circumstances that go along with being human, make everything *that* much more difficult when you have to discipline an employee, or let them go. It is that sense of humanity that makes you care if a decision is right or wrong and how it affects others. Just think about addressing a taxpayer the day after the due date who is complaining about the penalty on her bill.

The fact is that we *don't* live in a perfect world, and we *do* have to interact with other humans on a daily basis. It is because of those interactions that we will have our ups and downs, and we will have to make tough decisions. *But*, we will also get to witness on a daily basis the good that can come out of humanity. We will share laughs, feelings of pride and accomplishment, and the joys that come along with each day, month, year, or career working alongside our fellow humans.

Thinking About Budgets

It is never too early to start thinking about your budget for next fiscal year and looking for creative ways to ask for and receive funds to help pay for desired services.

In collecting debt, the payoff of the expenditure is found in the increased collections achieved from your actions, however, the governing body doesn't always see it this way. If you wish to enhance your budget to pay for things such as skip tracing, court and service fees, bankruptcy services (like claim filing) or other collection initiatives you will need to make a case to justify the cost. When making such a request, it is extremely helpful to identify potential sources of revenue to fund those needs. There are a couple of possible sources of funds you can discuss with the governing body that may be able to enhance your budget and create opportunities for collection initiatives.

Consider proposing to impose or increase the administrative collection fee that you charge and dedicate those funds to collection costs. You can charge a fee of up to \$30.00 for every account more than 30 days delinquent. These fees, or a portion of the fees, can be a source for a budget increase. Additionally, you may want to approach the governing body about dedicating a portion of excess tax sale proceeds for Judicial and Non-judicial sales to new collections initiatives, or at least to fund future tax sale costs. This is really found money for the locality and it can be re-purposed to enhance future collection activities.

One of these funding sources may give you a little bit of leverage to help get and pay for the collection support and resources you need.

"TACS"ing Thoughts

*Of all debts men are least willing to pay the taxes.
What a satire is this on government! Everywhere they
think they get their money's worth, except for these.*

FREQUENTLY ASKED QUESTIONS, ANSWERED:

Q: Under the Virginia Code, when an individual who has a personal property tax bill on a car, dies, does proof of their death (e.g. a death certificate) abolish the bill? In this case, the taxpayer had no estate and no assets except the vehicle.

A: if the taxpayer dies with no assets and no estate (and the vehicle has been transferred to a bona fide purchaser) you can write the bill off under Code of Virginia §58.1-3921(6) and Code of Virginia §58.1-3924. However, if a family member takes possession of the vehicle, they take it subject to a lien for the taxes assessed against the prior owner and the vehicle remains subject to distress.

Q: We seized the property in a local business and did an inventory almost a month ago. The business never came in to pay. What do we need to do to actually have a sale of this property?

A: There are certain requirements that have to be met in holding a tax sale, but much of the details of the sale process can be handled as a matter of good communications with the sheriff's office.

The sale has to be advertised at least ten (10) days before any auction takes place. The Notice of Sale should clearly state the date, time and place of the auction and any terms and conditions of sale. Advertisement of the sale must be placed in a minimum of three (3) locations within the locality. One is placed near or at the place where the sale is to be held. One is generally placed at the courthouse, and another in a public place within the locality.

Notice of the Sale also must be provided to any lienholder of record if the property is to be sold free and clear of their liens. Taxes owed on the property being sold are paid prior to the lienholders. However, if the taxes owed are not assessed on the property sold (e.g. BPOL taxes), the lienholder gets paid first.

The auction is typically held where the property was levied. If the property is rented space, it is important to communicate with the landlord to ensure access for the sale and removal of the property.

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