



Trust and Business License Taxes

Presented by: Leigh Bradshaw and Jennifer Anthony

Agenda



Understanding Trust Taxes

Who are Responsible Officers

How can you pursue collections against Responsible Officers.

Understanding Business License

Collections of Business License

Understanding Trust Taxes

Types of Trust Taxes

The two most common trust taxes that are collected at TACS are:

Meals Tax-is a trust tax charged on food/beverage sold at a restaurant or other such establishments.(depending on their jurisdictions ordinances) This tax is collected by the food establishment and is owed to the locality.

Transient Occupancy Tax – is another trust tax charged on hotels, motels, boarding houses, travel campgrounds, and other facilities. (depending on their jurisdictions ordinances) This tax is collected by the boarding establishment and is owed to the locality.



Trust Taxes- How to Collect

If the business is still operating, of course, the best thing to do would be to pull checks from previous payments and issue a bank lien against the business.

Maybe consider doing a till tap (distress) for meals tax to take the funds and apply to the debt.

If you didn't want to do a till tap, call the owners, issue a Summons or go by the business and try to discuss the debt.

Move forward with collections against the Responsible Officers

These are things we can assist you all with when you refer your accounts for Trust tax collections.

Responsible Officers

Responsible officers are those in the organization who know the operations of the business. They are listed as officers on SCC, or they sign checks and pay the bills for the business. These individuals could be the President, Vice President, Secretary or Treasurer. They are considered Responsible Officers since they are aware of the debt.

How do you deem them responsible?

- Pull SCC and review any signed documents and determine the businesses officers
- Pull any internal documents from the Commissioner's Office and see who have signed the documents or checks that may have been payable to the Treasurer's Office
- Have the Commissioner of the Revenue assess the officers personally. This will deem them responsible.

If we are representing you in this type of collections, you can forward this information to our office, and we will begin collections.





How to Collect from Responsible Officers?

After the assessment, we can send a letter advising the officers of their responsibility and giving them a deadline or due date to respond to our office

If a Payment Plan is extended it should be entered as a Promissory Note. This allows us the ability to continue to hold the individual responsible for the debt and we could later take legal action should they default.

For payment plans, we can have verbal discussions to determine a lien source for them personally either a bank or another employer.

If no payment plan, we can search VEC or CLEAR to find business or bank affiliations for a lien source

We can summons these individuals for an interrogatory to discuss assets and the business.

Let's discuss a case recently worked by our office.

Business License Tax (BPOL)



Understanding Business License



A business license tax refers to any fee paid by a person to a city or county for any form of license that is required by the city or county in order to conduct business in that city or county.

What do we do at TACS to collect against business license taxes?

Business License Tax How to Collect

If you are a client, it is important to refer these accounts quickly to ensure prompt collections before the business becomes defunct.

Utilize SCC and Clear to locate possible bank affiliations or previous payments made to ensure a lien source.

We may want to try and get a judgment on the business while it is still operating. Once the business is closed it is harder to get a judgment to hold the business liable.



We are here to help

How are we able to help you with your collections for both Trust and Business License Tax? We have a group within our office who specialize in collecting these types of debts. They understand the different types of taxes and will dive in to research these accounts thoroughly.

Once an account is referred, they begin working on the accounts by researching and finding email addresses, phone numbers and addresses to contact businesses in order to collect them quickly.

This team works with our Legal Department to move through the processes and will refer accounts should we need to conduct a summons, seek judgment against the business, do a site visit or sell property.

If you are interested in learning more about this type of collections, please reach out and schedule a meeting.



Thank you!

And reach out if you have questions