

Statute of Limitations (SOL) Write-offs Annual TACS Guidelines

Section 58.1-3940 of the Virginia Code limits the collection of any personal property bills and taxes other than real estate to five (5) years. Real estate tax collection is limited to twenty (20) years.

Tax bills are no longer collectible after December 31 of the expiring year **except for in some limited circumstances outlined below. If your locality is levying and assessing on a fiscal year basis, then Section 58.1-3010 changes the date for the expiration of the Statute of Limitations (SOL) to June 30.

Failure to write off tax bills or delayed write-offs can have major *negative* impacts on how TACS properly serves you and your taxpayers. TACS will not be able to pursue any forced collection actions (liens, summons, court, distress, etc.) on the entire taxpayer's account until the SOL bills are written off from our system (excluding SOL exceptions).

Steps to follow regarding annual SOL tax bills and TACS Collections:

- **You are the system of record. Your locality write-offs should be completed in January on an annual basis. You must control the write-offs from your system.**
- After you write-off your SOL accounts, it will be necessary for TACS to receive a revision file from your locality to update our system balances. Provide this file no later than February 15 annually. This procedure will remedy this annual collection issue!
- Email files@taxva.com to notify us when you have sent the revision file containing your SOL write-offs.
- If you cannot provide a revision file, TACS will need to manually cancel the balances on these SOL bills in our TACS system. Contact files@taxva.com immediately to coordinate this process.

****SOL exceptions:**

Bankruptcy Status - extends the SOL by the specific length of time the taxpayer is in bankruptcy status. Localities gain that additional time to collect the debt before needing to be written off. Email bankruptcy@taxva.com or Amanda Tevis at atevis@taxva.com with any questions.

Legal Action - if you filed a lawsuit on the SOL accounts prior to the yearend or if TACS did so on your behalf, the SOL years do not have to be written off. TACS will systematically exclude those write-offs in our system if we know about the pending case. Email legal@taxva.com or Tina Golden at tgolden@taxva.com with any questions.

Judgement - creates a new, separate SOL for an account adding an additional 10 years to collect from the date of the judgement entry. Email legal@taxva.com or Tina Golden at tgolden@taxva.com with any questions.

- If TACS has obtained judgment for you, we have coded the accounts as such in our system. Any tax years that have a judgment do not need to be written off due to SOL. Even if you cannot keep those balances in your system, we will retain these balances in TACS's system. You will, however, need to create an account note in your system so you can refer these judgment debtors back to TACS for payments.

Statute of Limitations (SOL) Write-offs 2023 TACS Guidelines

Personal Property and Other Tax Bills: 2018* or older

Real Estate Tax Bills: 2003* or older *Exceptions to these dates see page 1

Write Off Debts: January, 2024

TACS Revision File Due: February 15, 2024

Please be aware:

- Except for the SOL exception cases, TACS will not be able to pursue any forced collection actions (liens, summons, court, distress, etc.) on taxpayers that still have 2018 or older or 2003 or older bills on their account until those bills are written off in your system and a revision file is sent and loaded into TACS's system.
- If you are utilizing June 30 SOL date based on levying and assessing on a fiscal year, email files@taxva.com to notify TACS when to expect your SOL write-offs revision file.
- It takes time to load revision files, and we will be processing them on a first come first serve basis.
- Failing to post remittance payments according to TACS's remittance report will cause issues for you, TACS, and the taxpayer. The issues are most prevalent in circumstances where accounts are not written off in January, where payments are posted to accounts or tax types that have not been turned over to us, or where accounts with judgment, etc., have not been flagged.
- Collection actions that were taken prior to December 31, 2023, such as a Treasurer's lien may result in payments received after December 31 that can still be applied to SOL bills. Additionally, if a taxpayer makes a voluntary payment after December 31 based on balance information provided to them prior to December 31, these funds can also be applied to SOL bills.
- Any payments remitted on SOL bills or bills with a judgment coded with an SOL year will be placed on a separate payment report called an exception report. The report will identify these special transactions and will need to be posted manually.
- It is imperative to have communication and coordination between our offices regarding timing of your SOL write-offs to prevent posting and balance discrepancies.
- For questions regarding the revision file process to remove these balances from our system, email files@taxva.com.
- For legal questions on SOL write-offs, contact any of our attorneys at attorneys@taxva.com.