



City of Charlottesville

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LATE PAYMENT PENALTY POLICY

DUE DATES: Payments for personal property and real estate tax must be received or postmarked by June 5 for the first installment and by December 5, for the second installment. Late penalty is required by law for all untimely payments (Code of Virginia §58.1-9 and §58.1-3916).

The United States Post Office postmark, not a postal meter stamp, is the official and final postmark. If the Post Office postmark conflicts with a postal meter stamp, the Post Office postmark must be used (1985-86 Report of the Attorney General 295, July 9, 1985). The only exceptions to the postmark rule are: (1) if the Postmaster, in writing, admits that the Post Office received the payment on time but erroneously placed a late postmark on the envelope or was otherwise at fault for the late postmark; or (2) if this office received no payment and the taxpayer can show, with appropriate documentation, that the payment was sent before the due date (1980-81 Report of the Attorney General 348, April 22, 1981). Any documentation, in either case, must be approved by the Treasurer in order for it to be determined that penalty does not apply.

LATE PAYMENT PENALTY AND INTEREST: The late payment penalty is 10% of the unpaid balance if payment is received after the due date. Interest, at the annual rate of 10% begins to accrue on the unpaid balance July 1, for the first installment, and January 1, for the second installment. If a bill remains delinquent for more than one year, interest may be charged at the IRS rate (Code of Virginia §58.1-3916).

Penalty and interest cannot be waived because the taxpayer did not know the deadline or misread the deadline on the tax bill (1987-99 Report of the Atty. Gen. 559, August 22, 1988); because the taxpayer did not receive a bill (1970-71 Report of the Atty. Gen. 373, March 31, 1971); because the bill was mailed to the wrong address (1981-82 Report of the Atty. Gen. 393, March 25, 1982); because the bill was incorrect (1986-87 Report of the Atty. Gen. 321, July 31, 1986); or because the taxpayer received erroneous information from City staff, whether in person or over the phone (1981-82 Report of the Atty. Gen. 350, May 13, 1982).

Late payment penalty and interest may be waived if the lateness was due to a medically determinable physical or mental impairment on the due date, provided payment is made within 30 days of the due date. Penalty and interest may also be waived if the Commissioner abates the underlying tax or certifies that the taxpayer was not assessed in a timely manner due to a clerical error by the Commissioner's staff or if the late payment was due solely to the fault of the Treasurer or Commissioner of Revenue. Taxpayers have a duty to know due dates and to pay on time. If no bill is received that duty includes contacting the taxing authority prior to the due date and paying on time (1981-82 Report of the Atty. Gen. 393, March 25, 1982).

VEHICLE REGISTRATION WITHHOLDING: DMV vehicle registrations may be withheld by law if the owner of the vehicle has outstanding personal property taxes (including penalty and/or interest), and a fee for removal of this withholding will be added to the tax due (Code of Virginia §46.2-754).

PAYMENT OF ADMINISTRATIVE COSTS, ETC.: The governing body of any county, city or town may impose, upon each person chargeable with delinquent taxes or other delinquent charges, fees to cover the administrative costs and reasonable attorney's or collection agency's fees actually contracted for. The administrative costs shall be in addition to all penalties and interest, and shall not exceed \$30 for taxes or other charges collected subsequent to 30 or more days after notice of delinquent taxes or charges pursuant to § 58.1-3919 but prior to the taking of any judgment with respect to such delinquent taxes or charges, and \$35 for taxes or other charges collected subsequent to judgment. If the collection activity is to collect on a nuisance abatement lien, the fee for administrative costs shall be \$150 or 25 percent of the cost, whichever is less; however, in no event shall the fee be less than \$25 (Code of Virginia §58.1-3958).