

Title VII – Department Procedures

1000 - Policy for Cancelling Property Tax Interest and Penalties

Taxpayers may request a cancellation of interest, penalties, and/or costs resulting from a tax default or delinquency under certain circumstances allowed by State law. The following local procedures are in addition to the procedures required by the California State Revenue & Taxation Code (Section 2512 and 4985.2) and establish requirements set forth by the Board of Supervisors.

Procedure

1) Information on how to request a cancellation of interest, penalty, and/or other costs is provided on the County website, along with a link to an Application for Tax Penalty Relief Form (Attachment 1). The County will also provide hard copies of the application upon request.

2) The taxpayer **MUST** attach supporting documentation that provides proof that the failure to make timely payment was due to

- a. reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, or
- b. there was a cancellation ordered by a local, state, or federal court.

The taxpayer must sign the application certifying under penalty of perjury that all information provided is correct and true.

3) If there was an inadvertent error in the amount of taxes paid by the taxpayer, the taxpayer does not need to make a formal request to cancel the penalties and interest. Staff will notify the taxpayer of the shortage due and cancel the penalties and interest if the balance is paid within 10 days of the notice.

4) No requests to cancel interest and penalties will be accepted from a taxpayer with the reason of "did not receive a tax bill." Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed.

The taxpayer must submit payment with the application and supporting documentation. The payment should include one check for the taxes due and a separate check for all interest, penalties and costs. If the waiver is approved, the check for all interest, penalties and costs will be returned to the taxpayer. If the waiver is denied, both checks will be processed for payment. The request will be automatically denied if the full amount of taxes, interest, penalties and costs due is not presented with the application.

5) The taxpayer will be notified of the approval or denial by mail or email, and the appropriate check(s) will be processed.

6) The Auditor-Controller-Treasurer-Tax Collector will provide an annual detailed report regarding approved cancellations to the County Administrative Office and the Board of Supervisors.

Reporting / Record Keeping

The Auditor-Controller-Treasurer-Tax Collector will maintain a discrete and separate file of all Applications for Tax Penalty Relief for five years.

This file will include the following:

- 1) The Application for Tax Penalty Relief completed and signed by the taxpayer.
- 2) All documentation supporting the waiver request, which could include but is not limited to:
 - a. note from doctor;
 - b. invoice from hospital showing taxpayer was incapacitated on and before the due date; or
 - c. certified receipt from US Post Office supporting the date the payment was mailed.