



Collection Division

Presenters:

Portia Perry, Acting Chief

Doris Faulkner, Branch Chief

Roselyn Lewis, Branch Chief



Programs

- **Doris Faulkner**, Branch Chief, Field Units
 - Canvassing
 - Sales Tax Certificate Seizures
 - Seizures
 - O Type Fee
 - Offer-in-Compromise
 - Judgments



Programs

- **Roselyn Lewis** - Specialty Units
 - Bankruptcy
 - CP 2000
 - Individual and Business Installment Agreements
 - Internet Listing
 - Bulk Sales
 - Special Events
 - Adjustment and Correspondence Units



Outsource and Discovery Program

- NCO Financial Systems, Inc.
- MuniServices, LLC
- Revenue Discovery Systems (RDS)



Field Groups - Canvassing

- Revenue Officers conduct field visits throughout the eight wards making contacts to ensure that everyone is in compliance and or registered with OTR.



Seizure of Sales Tax Certificates

- Seizure of Sales Tax Registration Certificates in lieu of full scale seizure.
- Prohibits taxpayers from continuing sales in the District of Columbia until tax issues are resolved.

Property Seizure

- Seizure of real and personal property from taxpayers and third parties.
 - Jeopardy seizure
 - A seizure is often the last resort

Collection Fees

- ASSESSMENT OF COLLECTION FEES
 - Collection fees assessed on unpaid balances owed on 90 days or more

 - Fees
 - 10% balance \$200 - \$49,999
 - \$5,000 of balance over \$50,000
 - \$25 per installment agreement fee has been removed as of 10/2008

Offer In Compromise

- When a taxpayer wants to satisfy a debt by offering less than the amount owed.
 - DOUBT AS TO COLLECTIBILITY;
 - DOUBT AS TO LIABILITY; or
 - BOTH

Judgments

- A judgment is a court order against the debtor to pay the creditor what is due.
- All judgments may become a lien on the real property of a judgment debtor for 12 years upon filing a recording thereof at the Office of Recorder of Deeds. (D.C. 15-102.)

Judgments continued

- Reasons to File:
 - The judgment debtor has moved to another state, and there are no assets to satisfy the judgment in the original judgment state.
 - The debtor may not have moved, but there are assets to satisfy the judgment in another state.
 - A judgment is filed after an organization has exhausted all administrative collection tools.

Specialty Unit

- Bankruptcy
 - Payment of business taxes cannot be avoided through bankruptcy proceedings.
 - Business taxes due to the District of Columbia are not discharged in bankruptcy.
 - The District of Columbia maintains a priority claim over all creditors for Sales taxes regardless of when the creditor has filed a claim.

CP2000

- CP2000 is a data extract which is supplied to the states by the Internal Revenue Service (IRS).
- The file contains under-reported cases.
- Once the data is shared with the states, the state taxing authority will assess and bill the taxpayer for the amount owed to the state based on the federal change liability.
- If there is no additional tax owed to the District of Columbia, Office of Tax and Revenue because of the federal change liability, the taxpayer will not receive a Notice of CP2000 Adjustment or Notice of Correction and Tax Due.



Installment Agreements

- Individual Agreements \$100 >
- Business Agreements < \$5000
- Agreements > \$5,000 or 24 months require

Internet Listing

Background

- The Office of Tax and Revenue has a program to encourage voluntary compliance with the District's tax laws through the publication of delinquent taxpayers on OTR's Web site at www.taxpayerservicecenter.com.
 - Identify delinquent business and individual income taxpayers.
 - Information may be published in newspapers.
 - Furnish information to credit bureaus.
 - List delinquent taxpayers with known addresses.
 - Update information as available.

Bulk Sale and Registration

- Code Section 47-2022
 - Purchaser of an existing business must notify OTR of the sale and its terms within 15 days.
- Failure to notify OTR can result in:
 - The purchaser inheriting the seller's debt even if the debt is undisclosed to the seller.

Bulk Sale and Registration cont'd

- Purchaser cannot operate with the previous owners Federal Employer Identification Number
- Purchaser must file FR-500 – Combined Business Tax Registration Application to identify all tax obligations
- Seller's returns and taxes must be filed and paid timely to be in full compliance.

Special Events

- VENDORS - who participate in these events are liable to file and pay sales tax on items sold during the event.
- PROMOTERS - are responsible for the vendors reporting their sales tax made during the event.



Adjustments and Correspondence Units

- The Compliance Administration has formulated an Adjustment Unit to make adjustments to accounts.
- The Collection Division has established a group to process correspondence.



Waiver of Penalty and Interest

- Waiver of penalty decisions are made on a case by case basis.
- Interest is waived only when the taxpayer provides proof that the District contributed directly and materially to the noncompliance.



Certificate of Good Standing

- Taxpayer must pay \$15 processing fee
- Taxpayer and or business must be in full compliance



Clean Hands

- The Clean Hands Certificate is required to be submitted with any application for a license or permit in the District of Columbia, including a Basic Business License.
- The form is included in the Basic Business License application packet
- It can be obtained from the Department of Consumer and Regulatory Affairs at www.dkra.dc.gov or by phone at (202) 442-4400.



Web Page

Visit our Web page at www.taxpayerservicecenter.com to learn more about:

- Forms
- Procedures
- FAQ's
- Contact Information



Contact Information

- Please feel free to contact any of us at:
 - Portia Perry – 202-442-6830
 - Doris Faulkner – 202-442-6847
 - Rosalyn Lewis – 202-442-6822

- Questions?