

Methods Currently Used by the Town of Prescott Valley to Collect Delinquent TPT

- The auditor reviews the monthly City Payment Journal information that the Arizona Department of Revenue provides to the Town. **Approximately a month after filing**
- The information is placed in a data base and is compared to previous amounts received. The dates of the filings are also compared. **Takes about a week**
- If the amounts, dates and potential tax liability involved are significant in the auditor's estimation, the auditor will request a Multijurisdictional Audit approval from the office of the Multijurisdictional Audit Coordinator (MJAC) in Tucson. **Takes about another week**
- After receiving the audit request authorization from MJAC, the auditor proceeds with notifying the taxpayer of the audit. **Takes about another week**
- If the taxpayer responds, provides required authorizations and provides adequate books and records, the auditor performs the audit, ending with an assessment of taxes owed. **1 to 3 months**
- If the taxpayer does not respond, does not provide required authorizations and does not provide adequate books and records, the auditor makes an assessment of taxes owed based on a reasonable estimate. **1 to 3 months**
- At this point the taxpayer will make the required payment or request a payment agreement or not pay at all. If the taxpayer makes the payment, the audit is closed. If the taxpayer requests a payment agreement, the auditor facilitates that. **The payment agreement can be for a few months up to a few years**
- If the taxpayer does not pay within the allotted time or fails to meet the requirements of the payment agreement (such as not paying the installment when due), the auditor will send a series of letters (Notice of Tax Delinquency **(10 days to provide additional information, 45 days to pay)**, Notice of Finality **(after the 45 days, 10 more days for the Notice of Finality)**, Notice of Intent to Claim Lien **(10 more days)** and finally Notice of Lien –**lien recorded 10 days after Intent letter**). The notifications are all mailed certified, return receipt required. A lien may be recorded in any Arizona County applicable based on where the taxpayer owns real property.
- During the last few steps, interest continues to accrue by State Statute. If the taxpayer contacts the auditor and pays the tax, penalty and interest due, the process is stopped and the audit is closed.
- If the taxpayer does nothing else, the auditor currently can only send more collection letters and keep the interest accruing on the amount owed. The taxpayer can continue to conduct business and can continue not remitting TPT. Although our Tax Code currently would allow us to prosecute delinquent taxpayers for the Class One Misdemeanor of non-payment, the Town has not pursued this option.