

# NEW TAX COLLECTOR'S WORKBOOK

## VII. MISCELLANEOUS

### TOPIC

A. Public Officials' Ethics  
(will be provided at workshop)

B. Documents Required for Audit

C. Interest Calculations

D. Credit Bureau Information

## TAX COLLECTOR

### DOCUMENTS REQUIRED FOR AUDIT

1. Tax Collector's Report (MS-61) for year-end.
2. Uncollected tax lists as of year-end for all taxes (property, excise, etc.) showing address, and amount unpaid at year-end.
3. Monthly reconciliations of all tax levies showing beginning balances, commitments, abatements, remittances to Treasurer, and uncollected taxes with the year-end amounts agreeing with totals of lists from #2 above.
4. Lists by tax levy of signed abatement slips for all abatements issued by Selectmen or Assessor during year, along with actual slips.
5. Lists of all signed warrants by tax levy for all tax commitments along with actual warrants supporting the same.
6. Listing of tax deeds issued to the Town (City) during the year for unredeemed taxes.
7. Remittance advice slips to Treasurer for the year and/or supporting information for deposits.
8. List of overpayments during the year and the date refunded along with the check number.
9. Credit balance listing as of year-end.
10. Cash receipts books or computerized daily cash journals for the year and subsequent year to date.
11. Recording of tax lien and related notices for the year.
12. Listing of bankruptcy notices or other reservations related notices for the year.
13. If separate checking account maintained, the reconciled bank statements and canceled checks for the year. Please sign and send a bank confirmation form to the bank to confirm the year-end balance to us. See separate instructions for completing this form.

## Interest Calculations

In this day of computers, we have become spoiled. But what happens when the computers go down or the electricity goes out? We have to calculate interest manually.

Interest for property taxes, betterment assessments, water and sewer rents is calculated at 12% per annum. Interest for tax liens, timber yield taxes, excavation taxes, and current use is calculated at 18% per annum. Interest for elderly and disabled deferrals is calculated at 5% per annum.

Following are examples for calculating interest for delinquent property taxes, a tax lien, and an elderly deferral.

Property taxes -A taxpayer comes into the office on December 17th to pay his current year taxes. The first bill in the amount of \$567.23 was due on July 1st. The second bill for \$586.55 was due on December 3rd. Calculate the number of days from the due date through the date of payment for each bill. Do not count July 1st or December 3rd but include the date of payment (interest for betterment assessments) water/sewer rents is calculated the same way).

1st bill 2nd bill # of days in July 30 # of days in December' 14 # of days in August 31 # of days in September 30 # of days in October 31 #of days in November 30 # of days in December 17 Total interest days 169

Multiply the 1st bill tax amount (\$567.23) by the interest rate (12%). Then divide by 365 days and multiply by the number of days 169). This equals the interest due for the 1st bill. 1st bill tax \$ 567.23 2nd bill tax \$ 586.55 multiplied by the interest rate 0.12 multiplied by the interest rate 0.12 (annual interest rate) 68.0676 (annual interest rate) 70.3860 divided by 365 days 365 divided by 365 days 365 (daily interest rate) 0.186487 (daily interest rate) 0.192838 multiplied by the total interest days 169 multiplied by the total interest days 14  
Total interest due on the 1st bill \$ 31.52 Total interest due on the 2nd bill \$ 2.70

Total due December 17th = \$567.23 + \$31.52 + \$586.55 + \$2.70 = \$1,188.00

Tax Lien -The 2002 tax lien was executed on March 18, 2003. The property owner wants to pay the lien in full on September 14, 2003. The process is basically the same as for property taxes except that interest is 18% per annum and there are additional costs after lien.

# of days in March	13	Base 2002 tax lien	\$1,538.72
# of days in April	30	multiplied by the interest rate	0.18
# of days in May	31	(annual interest rate)	276.9696
# of days in June	30	divided by 365 days	365
# of days in July	31	(daily interest rate)	0.7588208
# of days in August	31	multiplied by the total interest days	180
# of days in September	14	<b>Total interest due</b>	<b>\$ 136.59</b>
Total interest days	180	Costs after tax lien(amount varies)	\$ 19.00

Total 2002 tax lien due September 14th = \$1,538.72 + \$136.59 + \$19.00 = \$1,694.31

If payment was made on September 14, 2004 you would have to add 1 year's interest to the interest total.

In this case interest would be  $\$276.97 + \$136.59 = \$413.56$ . Tile total amount due for tile tax lien would be  $\$1,971.28$ . Calculate current use, excavation, and timber tax the same way. Don't forget to add Registry costs for the current use release fees if you collect them.

## Interest Calculations

Elderly Deferral -An elderly deferral was granted by the Selectmen for the 2002 property taxes. The owner is now deceased and on August 15th the heirs have come in to the office to pay the taxes so the lien can be released.

Interest is 5% per annum.

# of days in December	30	Elderly tax lien	\$ 2,287.43
# of days in January	31	multiplied by the interest rate	0.05
# of days in February	28	(annual interest rate)	114.3715
# of days in March	31	divided by 365 days	365
# of days in April	30	(daily interest rate)	0.3133466
# of days in May	31	multiplied by the total interest days	257
# of days in June	30	Total interest due	\$ 80.53
# of days in July	31		
# of days in August	15		
Total interest days	257		

Total due for elderly deferral = 2,287.43 + \$80.53 = 2,367.96

Some municipalities with semi-annual billing execute separate liens for the first and second billings. In this case calculate the number of days for each billing and proceed as above.

## INTEREST FACTOR TABLES

These tables list pre-calculated factors used to determine interest due for a specified number of days. The tax collector simply counts the number of days from the date the taxes become delinquent up to and including:

date of payment; or  
date of lien; or  
date of deeding.

The tax due or the lien amount is multiplied by the appropriate factor to determine the interest due.

Per RSA 76:13 and RSA 76:15-a, uncollected real estate taxes paid ) after due date are subject to 12% interest on the unpaid amount.

Per RSA 80:69, unredeemed real estate taxes paid after date of lien are subject to" interest of 18% ~n the amount of the lien.

Per RSA 79-A:7, II, d, land use change taxes not paid within 30 days of assessment shall be subject to interest of 18%.

Per RSA 79:4-a, yield taxes which are not paid when due are subject to interest of 18%.

Insert interest tables here:

## CREDIT BUREAU INFORMATION

The following information regarding credit reports appeared in our newsletter in October 2001. The information is being reprinted by popular demand.

The following telephone numbers and addresses are for the three major credit card bureaus. Taxpayers need to have a recent credit file in hand from the credit bureau they are contacting in order to dispute a report. Other information which they will need to complete their dispute:

Social Security Number

Date of Birth

Current Address

Company name of the disputed item (from the credit report)

Account number of the disputed item (from the credit report)

Reason for the dispute (such as, it is not their account, they have paid the account, etc)

Any corrections to their personal information (address, phone number, etc)

Trans Union Credit Bureau Services	To dispute a credit report	1-800-916-8800
P. O. Box 2000	Fraud Victim Assistance	1-800-680-7289
Chester, PA 19022	<a href="http://www.transunion.com">www.transunion.com</a>	

Experian	To dispute a credit report	1-888-397-3742
P. O. Box 949	Fraud Victim Assistance	1-888-680-7289
Allen, TX 75002-0949	<a href="http://www.experian.com">www.experian.com</a>	(not a helpful site)

Equifax Credit Information Services	To dispute a credit report	1-800-685-1111
P. O. Box 740241	Fraud Victim Assistance	1-800-525-6285
Atlanta, GA 30374	<a href="http://www.equifax.com">www.equifax.com</a>	

Get a copy of your credit report on a regular basis. Close credit accounts you do not use.

Contact the following office in Concord if there are problems with the Credit Companies:

Department of Justice  
Consumer Protection Bureau  
33 Capital Street  
Concord, NH 03301-6397  
(603) 271- 3641