

## Delinquent Tax Collector Procedure

Approved 8.8.18, Update 11.06.2020

The required remittance form and all resort taxes collected in a month must be remitted to the District by the last day of the following month for monthly remittances or by the last day of April, July, October and January for quarterly remittances (the deadline). \*

If a business fails to remit the required remittance form and/or the resort taxes by the deadline, the business shall be deemed delinquent. \*

The day after the deadline, MUNIREvs will auto-send a courtesy reminder email.

10 days after the deadline, MUNIREvs will auto-send a courtesy reminder email.

30 days after the deadline, MUNIREvs will auto-send a notice of nonpayment email.

Starting at 30 days, and each subsequent month, delinquent taxes shall bear interest at the rate of one percent per calendar month, for the delinquent month (12% per annum). In addition, a one-time late fee of \$30 shall be assessed for each reporting month that is delinquent. \*

60 days after the deadline, office staff will prepare a second notice of nonpayment letter to be sent via certified mail. Office staff will email a copy as well. The letter will be postmarked within 10 days of the 60-day mark allowing the business the remaining 20 days of the month to remit delinquent taxes.

90 days after the deadline, the District Attorney will prepare a notice of District court action letter to be sent via mail. Office staff will email a copy as well. The letter will be postmarked within 10 days of the 90-day mark allowing the business the remaining 20 days of the month to remit delinquent taxes.

120 days after the deadline, the District Attorney is to file an action in court. Office staff will email and mail a copy as well.

Should the District prevail in court, the following penalties, referrals or liens may be imposed for failure to remit resort taxes due: \*

- (a) A criminal penalty, not to exceed a fine of \$1,000.00 or six months imprisonment, or both;
- (b) A civil penalty if the District prevails in a suit for the collection of resort taxes, not to exceed fifty percent (50%) of the resort taxes found due, plus the costs and attorney fees incurred by the District in the enforcement action;
- (c) Upon referral to the County Commissioners of Gallatin or Madison Counties, revocation of the county license held by the offender, if applicable;
- (d) Upon proper legal procedure secure and file a lien against the property of the establishment failing to report, collect or remit resort taxes.

If a business contacts the District and states it is not able to make payment for the delinquent months, reference the Payment Plan Procedure.

A report of the delinquent businesses and where they are in the procedure's process will be provided monthly to the Board in the closed meeting consent agenda.

\*Included in Ordinance 2008-1, as amended (effective May 8, 2020).

## Payment Plan Procedure

During the 30-90 days delinquent procedure, the business may contact the District to initiate a payment plan. Once 120 days delinquent and a court action has been filed, the District payment plan procedure window has closed; the process transfers to the court and it is now outside the scope of this procedure.

Payment plans will not be entered into unless the delinquent amount is greater than \$2,000.

To initiate a payment plan, the business is to have two-way communication with office staff verifying intention of entering into a plan and complete the following steps:

STEP I: Submit the required remittance form and resort taxes due via MUNIRevs for the recently closed month or quarter to the District to show goodwill that the business intends to become and remain current. Visit <https://resorttax.org/collections/> for MUNIRevs information.

STEP II: Once the form and taxes for the recently closed month or quarter are submitted to the District, the business is to email [kristin@resorttax.org](mailto:kristin@resorttax.org) its 1) gross and taxable sales for the delinquent months or quarters and 3) a statement requesting a six or twelve-month payment plan.

Within one week of receiving the business' email, office staff will review and evaluate if Steps I and II above have been fulfilled. If so, she will prepare and email the business a payment plan. Following is an example payment plan for delinquent June and July months.

The records of the Big Sky Resort Area District indicate that the business has not remitted collections for the following months: June and July 2018. August's taxes were remitted to the District on MUNIRevs by September 30, 2018 and by doing so the business has shown goodwill and it intends to become and remain current. To enter a payment plan, print, sign and return the original to PO Box 160661, Big Sky, MT 59716.

### PAYMENT PLAN LETTER OF AGREEMENT

Date

Business XXXX in Big Sky, Montana agrees to the following:

1. 12-month payment plan for resort taxes not remitted for June and July 2018.  
= \$11,833.49
2. Interest at the rate of 1% per month.  
= \$1,420.00
3. Late fees of \$30.00 per month for delinquent months.  
= \$360.00
4. 12 monthly payments due on or before due the last day of each month beginning October 31, 2017.
5. The total due may be paid any time before October 31, 2019 negating the remainder of the payment plan.  
= \$13,613.49
6. Going forward, you will keep your monthly remittances current. Taxes must be remitted to the District by the last day of the following month. For example, September's taxes are due to the District by October 31, 2018.

7. If the business defaults, this agreement is void and the balance is due in 30 days unless prior arrangements are made in writing by the Resort Tax Board.

This Letter of Agreement with the terms and conditions listed above is a legally binding agreement between the business and the Big Sky Resort Area District.