

Item Title: Tax Committee Recommendations for Penalty Waivers, Refund Requests and Various Reports

Specific Action Requested:

That the Board of Commissioners approves the attached recommendations by the Tax Committee.

Item Summary:

Purpose: The Board of Commissioners reviews recommendations of the Tax Committee regarding the power to compromise tax discoveries or assessed penalties per NCGS 105-312, tax refund requests over \$100 per NCGS 105-381, relief of penalties associated with prepared food and beverage or room occupancy tax, and deed excise tax refunds.

Background: The Tax Committee meets monthly on the third Thursday of each month at 1 p.m. in the Tax Administration's Conference Room to review requests and make a recommendation to the Board of Commissioners. This meeting is advertised and open to the public.

The Tax Committee presents information to the Wake County Board of Commissioners each month for review, showing the name of the taxpayer, description of property, account number, tax year, relief sought, and recommended action.

Board Goal: This item supports routine business of the County as required by North Carolina General Statutes and does not relate to a specific Board initiative.

Fiscal Impact: The fiscal impact of this item varies from month to month based on requests but is generally negligible as a percent of the total County budget.

Additional Information:

The Tax Committee is comprised of Kim Lorbacher, Controller with Wake County Finance, Natasha Baldwin, Finance Manager with the City of Raleigh and Sonya Long, Accounting Supervisor with the Town of Cary. Marcus Kinrade, Wake County Tax Administrator, serves as the clerk to the Tax Committee.

Some reasons a property owner may request a hearing before the Tax Committee are:

- They were penalized for listing personal property after January 31.
- Their personal property listing was audited and they are seeking relief of discovered value or applicable penalties.

- A penalty was imposed for the late filing or late payment of a gross receipt tax and penalty relief is requested.
- A refund has been requested for a tax imposed through a clerical error, an illegal tax, or a tax levied for an illegal purpose.
- A refund exceeding the threshold the finance officer is authorized to issue has been requested.

The tax committee has adopted criteria that may provide partial or full relief of late list penalties applied to personal property discoveries if one of the following criteria is met:

1. The property owner is new to North Carolina.
2. The property owner inadvertently neglected to list equipment in the first year of ownership.
3. Prior year property listings were timely filed.
4. Items were inadvertently omitted from a listing filed timely.
5. The property owner was on military deployment or medically incapacitated.
6. The property owner self-reported assets that were not listed properly in prior years.
7. The property owner was cooperative with an audit and no property tax was lost due to being beyond the five-year audit period.

Attachments:

1. Tax Committee Agenda Process
2. Executive Summary 1 and 2
3. Refunds Under \$500.00 / Over \$500.00
4. Daily Updates for Penalties and Special Situations
5. Municipal Collection Report
6. Wake County Collection Report
7. Monthly In-Rem Foreclosure Report
8. PFB Summary Report