

Who is responsible for setting the commission owed on delinquent taxes?

Until April 1, 2005, the collector of delinquent taxes may either charge no commission or charge an eight percent commission on all taxes collected after the expiration of the time fixed for payment of taxes. 32 V.S.A. § 1674. Often referred to as the collector's fee or penalty, this commission is mandated by statute and confers no discretion on the collector in setting the percent on the amount of the tax.

This law, however, will change for the collection of taxes assessed on or after April 1, 2005. After this date, "the collector may charge and collect from the taxpayer a commission of eight percent on the amount of the tax, unless a municipality votes otherwise." 32 V.S.A. § 1674(2).

While this change does not confer any additional discretion upon the collector, it does with regard to the voters of a municipality. Under the new law, the voters of a municipality will be able to set, by majority vote of those present and voting at an annual or special meeting, the percentage the collector may charge. This commission cannot exceed eight percent. 32 V.S.A. § 1674(3)(A). Additionally, voters will be able to adopt a grace period or graduated commission schedule for taxes paid within a defined time frame after the date established for payment. 32 V.S.A. § 1674(3)(B). Collectively, these powers will allow the voters of a municipality to decide what, if any, commission will be charged and how it will be assessed.

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