UNCOLLECTIBLE BILL PROCESS IN THE LOCALITY

Effective Date

01/01/2010

Overview

Throughout the calendar year, the "Local File" Treasurer's Offices are responsible for collecting any outstanding tax due, penalty and/or interest for all locally assessed current tax year tax due returns that have not been paid in full. The Treasurer collects on amounts assessed by the Commissioner of the Revenue and is also responsible for computing, assessing and collecting additional penalty and interest that accrue up until the end of the calendar year.

After December 31st, the responsibility of collecting any outstanding assessments is transferred from the locality to Virginia Tax. The Treasurer identifies outstanding assessments as of December 31st and any January payments the Treasurer has accepted. This Uncollectible bill data is referred to as the Local Uncollectible List. The locality may submit only one Local Uncollectible List to Virginia Tax per year. The Treasurer determines the Uncollectible List and completes an Uncollectible Transmittal form that summarizes the data on the Uncollectible list.

On February 1, unless otherwise notified by Virginia Tax, the list must be submitted to Virginia Tax using one of the following methods:

- Creating an electronic file of uncollectible data in the format specified by Virginia Tax and submitting the file using the secure file transfer functionality in EESMC (External Entity Secure Messaging Center) **OR**
- Manually entering and then submitting the uncollectible data "on-line" in IRMS

These are the **only** methods of submitting an Uncollectible List. Paper lists are not accepted.

After the list is successfully submitted, the Uncollectible Transmittal Form must be faxed to Virginia Tax's Local Uncollectible Team. The Transmittal Form is a necessary part of Uncollectibles processing.

If a Locality receives a payment for an assessment which has been transferred to Virginia Tax, the payment must be forward to Virginia Tax for processing. Virginia Tax will review the customer's account to determine the nature of the payment and process the payment accordingly.

Reference

Please refer to Job Aid: Calculate Penalty and Interest on Individual Income Tax Returns

Tasks

Complete the Local Uncollectible Transmittal Form
Correct and Resubmit Rejected Local Uncollectible List - EESMC
Enter Local Uncollectible List Information - IRMS

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Forward Uncollectible Payments to TAX After the Uncollectible List is Submitted
Handle Uncollectible Payments Received After December 31st but Before the Uncollectible List is Submitted
Maintain the Local Uncollectible List Information - IRMS
Submit the Local Uncollectible List - EESMC
Submit the Local Uncollectible List - IRMS

Published Date

12/01/2020

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