



Legislation Text

File #: 21-0149, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 2, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution to Extend the Payment Deadline for Tax Year 2020 Personal Property Taxes (Car Tax and Business Personal Property Tax) from October 5, 2020 to December 15, 2020. [ROLL-CALL VOTE]

ISSUE: Consideration of a resolution to extend the deadline for the payment of tax year 2020 Personal Property Taxes (Car Tax and Business Personal Property Tax) from October 5, 2020 to December 15, 2020.

RECOMMENDATION: That Council consider adopting this resolution extending the proposed property tax deadline from October 5, 2020 to December 15, 2020, at the regularly scheduled meeting on September 8, 2020 in time to communicate the extension to the community prior to the existing payment deadline.

BACKGROUND: As of August 18, 2020, the City of Alexandria has experienced 3,146 cumulative cases of the novel Coronavirus, COVID-19, with 61 fatalities. Along with the medical crisis, the global pandemic has had an unprecedented impact on the economy, increasing unemployment and disrupting the conduct of normal business. In this context, the attached resolution would provide added flexibility for business and individual taxpayers otherwise required to pay Personal Property Taxes on October 5, 2020. Several indicators of the current economic impact, along with supportive actions already enacted by Council, are presented in the resolution.

DISCUSSION: Personal Property Taxes, also known as the Car Tax and Business Personal Property Tax, are due to be paid on October 5, 2020. Current law requires that failure to pay on time results in penalties and interest of 10 percent per annum. Virginia State law allows City Council to provide by resolution "reasonable extensions of time, not to exceed 90 days" for the Personal Property payment deadline. The attached resolution proposes to extend the deadline to December 15, 2020. Late payment penalties and interest would not be incurred prior to that date. The payment extension would only be applicable for the current tax year 2020 and would become effective upon adoption of the resolution. Currently taxpayers can request a payment plan but

they still owe penalties and interest using a payment plan.

Staff does not recommend extending the due date further in as much as the FY 2021 budget and development of the FY 2022 proposed budget will both be challenging. Collection by December 15, 2020 is necessary to maximize collection in the current fiscal year and obtain necessary data to help forecast future revenue estimates. Any later extension would be more challenging during the holidays and cannot in any case exceed 90 days from the due date.

Since the Car Tax bill mailing is also used to deliver Residential Parking Permits to the appropriate vehicle owners, the attached resolution also delays enforcement of the 2020 to 2021 parking permit from November 15, 2020 as regularly scheduled until December 16, 2020. While some residents received advance permits with the mailing of tax bills in August, not all residents have will have obtained their current permit before the tax due date. Residential Parking Permit enforcement would continue based on either current or prior year permit.

Should Council approve the attached resolution, staff will immediately communicate and publicize this extension.

FISCAL IMPACT: None if payments are made before the new deadline.

ATTACHMENT: Resolution to Extend the Personal Property Tax Payment Deadline for
Tax Year 2020

STAFF:

Laura Triggs, Deputy City Manager

Joanna Anderson, City Attorney

Kendel Taylor, Director of Finance

David Clark, Assistant Director, Treasury Division, Department of Finance

Kevin C. Greenlief, Assistant Director, Revenue Division, Department of Finance

Sarah McElveen, Assistant City Attorney