

Subject 703

Collection Procedures

The Individual Income Tax Section cannot establish payment plans. The tax section will send up to three notices notifying you of the amount of any debt currently due the state for individual income taxes.

If the debt is not paid within ten days of the date of the Final Assessment Letter, your account may be transferred to our internal collection section for additional collection activities.

When your account is placed with our collections section, they will send you a follow-up notice to the Final Assessment Letter. You will have an opportunity at that time to pay the tax and any penalties or interest. If you fail to do so, the Collection Section will file a tax lien in your county of residence. If it is in the best interest of the state the collection section will also file a lien any time a taxpayer requests a payment plan. This will freeze any property transfers you try to make. Additionally, credit agencies may research the county files and record this tax lien as part of your credit information. (The state does not supply the credit bureau with this information.)

If you have a tax lien filed against you, post judgment interest at the rate of 10% per year will continue to accrue on the entire liability, including any existing penalties and/or interest amounts.