

## Berks County Earned Income Tax Collection Bureau

### Schedule of Delinquent Tax Collection Costs

Effective July 1, 2016

#### A. Collection Costs for Individual Taxpayers

Item	Cost
First Notice for Late Return Filing, Failure to File Return, Underpayment, or Failure to Pay Taxes.	No Cost
Final Notice for Late Return Filing, Failure to File Return, Underpayment, or Failure to Pay Taxes (via certified mail).	\$25.00
Notice to Employer of Employee Wage Attachment.	\$75.00
Notice of Intent to File Legal Action.	\$50.00
Set Up Fee for Payment Plan.	\$25.00
Per Payment Fee Under Payment Plan.	\$5.00

#### B. Collection Costs for Employers

Item	Cost
First Notice for Late Return Filing, Failure to File Return, Underpayment, or Failure to Pay Taxes.	\$50.00
Final Notice for Late Return Filing, Failure to File Return, Underpayment, or Failure to Pay Taxes (via certified mail).	\$100.00
Notice of Intent to File Legal Action.	\$50.00
Set Up Fee for Payment Plan.	\$50.00
Per Payment Fee Under Payment Plan.	\$25.00

#### C. Other Collection Costs

Item	Cost
Returned check or failed ACH (NSF, account closed, etc.) – each instance.	\$50.00
Preparation of file and related account for civil or criminal complaint.	\$300.00
Preparation for Magisterial District Court or Court of Common Pleas hearing/trial.	\$150.00
Attendance at Magisterial District Court or Court of Common Pleas hearing/trial.	\$500.00
Indexing of judgment and creation of lien.	\$250.00
Filing of bankruptcy proof of claim.	\$150.00
Additional fees and costs for Magisterial District Court or Court of Common Pleas proceedings that are not listed above.	Actual Costs
Audit of employer payrolls and withholding taxes.	Actual Costs
Commissions and fees paid to third-parties to pursue delinquents.	Actual Costs

### **Important Notes To Schedule of Delinquent Tax Collection Costs**

1. The costs listed in the Schedule apply to all delinquent employers and taxpayers.
2. The costs charged pursuant to this Schedule are intended to help the Berks County Earned Income Tax Collection Bureau obtain reimbursement for the out-of-pocket and internal costs of collecting delinquent taxes.
3. Typically, costs assessed against employers are higher than those assessed against individual taxpayers. The reason that is so is because it takes the Berks County Earned Income Tax Collection Bureau longer to review and process an employer file.
4. All costs authorized in this Schedule are in addition to any interest and penalties assessed against delinquent employers and taxpayers pursuant to the Local Tax Enabling Act or other law. For example, per 53 § 6924.509(i)(1), interest at the most recent rate established by the Pennsylvania Secretary of Revenue plus a penalty not to exceed 15% of the total earned income tax due must be assessed against all delinquent earned income tax.
5. In addition to collection costs specifically assessed under the Schedule and interest and penalties, the Berks County Earned Income Tax Collection Bureau is entitled to assess and recover all costs incurred in engaging a collection agency, auditor, legal counsel, or other professional consultant to assist with collecting delinquent tax from employers and taxpayers.
6. All costs in the Schedule are cumulative. For example, if an employer fails to respond to a first notice but then responds to a second notice by setting up a payment plan, the employer will be obligated to pay a total of \$200 in up front collection costs (i.e., \$50 + \$100 + \$50 = \$200) plus a \$25 per payment fee thereafter.
7. Any request to the Bureau for a waiver of penalties, interest, or collection costs **will be denied** unless the employer or taxpayer making the request can demonstrate facts that justify the waiver under the **Berks County Earned Income Tax Collection Bureau Penalty, Interest, and Collection Costs Abatement Policy**. A copy of the Policy is posted on the Bureau's website.

**Berks County Earned Income Tax Collection Bureau**  
**Payment Plan Guidelines for Employers and Taxpayers**  
**Effective July 1, 2016**

**Background.** The Berks County Earned Income Tax Collection Bureau (the “**Bureau**”) collects local earned income tax throughout the Berks Tax Collection District (“**TCD**”) as well as other local taxes. In that capacity, the Bureau collects certain local taxes from delinquent employers and taxpayers. To facilitate the collection of delinquent taxes, the Bureau will permit a delinquent employer or taxpayer to enter into a payment plan from time to time pursuant to which the employer or taxpayer is permitted to pay off outstanding liability for delinquent tax and penalties, interest, fees, and costs over a period of time. This document sets forth the guidelines governing any and all payment plans the Bureau authorizes.

**Payment Plan Guidelines.**

1. The Bureau is not required by law, statute, regulation, or rule to allow any employer or taxpayer to enter into a payment plan. The Bureau retains the sole and absolute discretion to either grant or deny a request for a payment plan and to revoke a payment plan. Nothing in these Guidelines creates any contractual, equitable, or other legal right in favor of any employer or taxpayer.
2. No payment plan allowed by the Bureau for any employer or taxpayer will exceed 12 months.
3. The Bureau will not consider allowing an employer or taxpayer to enter into a payment plan unless the employer or taxpayer requesting the plan makes an upfront payment of 25% or more of the total amount of all outstanding tax, penalties, interest, fees, and costs.
4. If an employer defaults on a payment plan, the Bureau will take prompt legal action against the employer and the employer will have no right or opportunity to cure the default.
5. If a taxpayer defaults on a payment plan, the Bureau will take prompt action against the taxpayer and the taxpayer will have no right or opportunity to cure the default. Such prompt action may include wage attachment and/or legal action.
6. No employer or taxpayer will be permitted to enter into more than one payment plan at a time or to add amounts that become delinquent after a payment plan is entered into to that preexisting payment plan.