

Collecting Unpaid Taxes

Receivables Management Branch

Updated: February 2005
Added link to Bulletin GEN 010,
Director's Liability

This bulletin provides general information about the collection process when an individual or company owes taxes to the provincial government. The Receivables Management Branch collects provincial tax debts and ensures that taxes are administered consistently and fairly throughout British Columbia.

Collection procedures for delinquent **rural property taxes** are significantly different from those described in this bulletin. Please consult our website at www.sbr.gov.bc.ca/rpt/ or contact us at (250) 387-0555 for information on paying your rural property taxes.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. For more detailed information on tax acts and regulations administered by the Receivables Management Branch, you can access our website at www.gov.bc.ca/sbr

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NOTICE OF ASSESSMENT

Why Have I Received a Notice of Assessment?

You have been sent a Notice of Assessment to advise you of a tax debt that you or your company owes to the province. The notice explains the details of your assessment or reassessment, indicates how much you owe and the process you need to follow to pay the amount.

The notice you receive may result from an audit, an assessment due to a late tax return, or any other failure to pay a tax, penalty or interest. The notice will contain contact information and possibly a legal warning.

What Should I Do When I Receive a Notice?

You should pay the tax within the time period shown on your notice. Payment can be made at your local bank or credit union or by mailing a cheque, bank draft, or money order to the Ministry of Small Business and Revenue. Please include the payment stub portion of your statement of account when making your payment.

I Did Not Receive a Notice. Do I Have to Pay Interest?

Notices and letters are sent to the address we have for you on file. Please notify us if your mailing address changes to ensure that you receive notices, letters or statements. If you didn't receive a notice, or if you received a notice late, interest will be charged.

If mail is returned undeliverable, we make an effort to locate your correct address and send you another statement.

WHAT SHOULD I DO IF I DISAGREE WITH THE ASSESSMENT?

If you disagree with, or you do not understand an assessment or a reassessment, call the phone number shown in your Notice of Assessment. We can explain the assessment to you and provide you with a contact name and phone number to discuss your options if you think an error has been made.

I am Appealing the Assessment. Do I Have to Pay Right Away?

An appeal does not extend the time you have to pay the debt. You are required to pay all taxes, penalties and interest on or before the date shown on your notice.

You may request a delay in collection action if the amount you owe is under appeal to the Minister and you provide satisfactory security for the debt. Please note that interest will continue to be added to your account while your file is under Ministerial appeal.

If your appeal is successful, you will receive a refund of the disputed amounts paid with interest. If your appeal is not successful, you must pay the full amount due immediately. Appeals to the court do not delay collection action.

CAN I HAVE ADDITIONAL TIME TO PAY?

If you cannot afford to pay the entire amount of your outstanding tax debt on time, we will consider alternative payment arrangements.

Before accepting a payment proposal, we need to determine your ability to pay. You will be required to make full financial disclosure and provide evidence of your income, expenses, assets and liabilities. We will verify the information you provide and advise you if your proposal has been accepted.

Interest will continue to be charged on all outstanding account balances.

COLLECTION ACTION

Collection action is taken when no response to our requests for payment has been received or satisfactory payment arrangements have not been made. We are committed to working with you to find solutions that will avoid collection actions. Please contact us at the phone numbers provided on the notices and letters we have sent you, or by the contact numbers listed in this bulletin.

It is important to note that we do not routinely call taxpayers before collection action is taken. We rely on the letters and statements mailed to you to advise you of your tax debt and to provide legal warning for collection actions. It is your responsibility to contact us to avoid collection action.

When Does Collection Action Begin?

If you ignore a written notice, fail to contact us within the time stated in our notices, or do not make alternative payment arrangements, collection action may be initiated.

The Province May Take One or More of the Following Steps to Recover the Amounts Due

- Place a lien on your property
- Issue a demand (garnishment) of your wages, bank account or accounts receivable
- Seize funds owed to you by the provincial or federal government
- File a Certificate of Judgment in British Columbia Supreme Court
- Seize and sell your assets
- Hold directors personally responsible for corporate tax debt under the *Social Service Tax Act*, *Motor Fuel Tax Act*, *Tobacco Tax Act* and *Hotel Tax Act*. **More Info:** [Bulletin GEN 010](#), *Director's Liability*

It is important to note that these actions may affect your credit rating.

How Do I Contact a Collections Officer?

Please call the phone number shown on the letters and notices you receive.

If you are calling long distance, you can call Enquiry BC toll-free at 1-800-663-7867. An agent will transfer your call to us free of charge.

NEED MORE INFO?

This bulletin is provided for convenience and guidance. If you still have questions call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440 elsewhere in Canada or refer to the legislation.

Information is also on the web at www.gov.bc.ca/sbr While there, you can subscribe to our free electronic update service.