



COLLECTION PROGRAM

INDEX CODE: 1701
EFFECTIVE DATE: 12-01-13

Contents:

- I. Policy
- II. Procedures
- III. Cancellation

I. POLICY

License cancellation cases are the final result of a process of license revocation hearings held by the Hearings and Appeals section of the Compliance Division. As a result of the hearing, the Hearing Officer issues a Notice of Decision setting forth the results of the hearing and payment terms that are acceptable to the Comptroller's Office. Failure to comply with the Hearing Officer's mandate constitutes sufficient cause to revoke the Sales and Use Tax license that is issued to the business/individual.

When the revocation decision has been made, the only remedy is for the licensee to pay the entire outstanding liability and provide the delinquent returns, if any are due. Collection of the money and records (sales tax reports) is to be made by a visit from an FED agent.

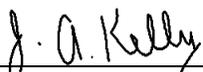
II. PROCEDURES FOR SALES & USE TAX LICENSE REVOCATIONS

Agents assigned these cases must follow procedures to ensure that the Comptroller's Office is fulfilling legal and regulatory mandates. Employees are not visiting the businesses to set up payment plans or to argue the merits of the decision. The visits are not attempts to get the licensee to make arrangements for compliance but to collect the outstanding liability and records. Employees are not to become collection officers. Arrangements can be made to pick up outstanding liabilities, but not on a regular (weekly) basis. Each revocation order may bring a different situation; however, the following is a guideline for revocation orders;

- A. Sales & Use Tax cases will be assigned to field personnel according to geographical assignment areas and/or at the discretion of a supervisor.
- B. Each case will be logged into the Sales & Use Tax database, and a license revocation control sheet will be attached to the paperwork issued from the Collections Unit.
- C. Cases that are assigned are due back in **thirty (30) days** of being assigned to the FED personnel.
- D. When the case is complete, the control sheet, white and yellow copy, and any additional attachments (i.e., seized license, copy of receipts issued, etc.) will be forwarded to the administrative agent after being reviewed by a field supervisor.
- E. The administrative agent will log the case as closed into the database and forward the completed Sales & Use Tax Revocation packet to the manager of the Collections Unit in Baltimore.

- F. If the taxpayer cannot or will not pay any of the tax liability, the licensee will be requested to surrender the license.
- G. If the taxpayer refuses to surrender the license; an affidavit should be signed, the licensee should be advised that they must close the business and respond to the Baltimore office to pay the delinquent taxes and/or remit the missing tax returns.
- H. If the taxpayer refuses to sign, note this on the affidavit and advise the taxpayer that they must close the business.
- I. When FED agents receive the revocation order specific instructions, if any, will be written on the revocation order.
- J. The amount due to be collected will also be noted on the order.
- K. If an employee finds that the order has been issued for a business that is closed, employees are asked to get an approximate date, if possible, that the business closed. This is so the business can be assessed additional fines, late payments, etc.
- L. If the business has moved, please supply the new address on the paperwork if the information is available.
- M. If the business refuses to close, the FED agent should note the information on the control sheet. It is not FED's responsibility to assure that the business complies with the order.
- N. If the revocation order is sent to FED for a second time, the only course of action is to seize the license. Compliance personnel will record second notice on the revocation order.

III. CANCELLATION: None.



Jeffrey A. Kelly, Director