



County of El Dorado

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Legislation Text

File #: 23-0821, **Version:** 1

Treasurer-Tax Collector Department recommending the Board adopt and authorize the Chair to sign Resolution **074-2023** increasing the allowance for deficiency and overage of payments tendered from \$10.00 to \$20.00, in accordance with Revenue and Taxation Code 2611.5.

FUNDING: N/A

DISCUSSION / BACKGROUND

California Revenue and Taxation Code (RTC) Section 2611.5 authorizes a county to establish, by resolution, a cash difference fund and overage fund. When a tax payment is made that is deficient to cover the tax, assessment, penalty, cost and/or interest due, a cash difference fund may be used to increase the amount. Also, when a tax payment is made that exceeds the amount due, the county may deposit the funds into an overage fund. The RTC mandates a maximum deficiency/overage amount that is allowable.

A resolution of the board of supervisors of the county is required under the Code to establish the cash difference and overage funds and to authorize the maximum deficiency/overage amount. The funds were established by Resolution 22-64 and amended by Resolutions 294-79 and 203-2003. Resolution 22-64 established the maximum deficiency/overage amount at \$1.00. Resolution 80-89 increased the deficiency/overage amount to \$10.00, in response to an update in the law.

In January 2020, RTC 2611.5 was updated, to allow overage/deficiencies of up to \$20.00. The Treasurer-Tax Collector recommends raising to the maximum limit. Returning a payment to a taxpayer often results in the levying of a late payment penalty to the taxpayer. Penalties are mandated by state law and cannot be waived or reduced for incorrect payment amount. Further, staff time is required to return payment and re-invoice. Raising the overage/deficiency limit will benefit taxpayers and improve efficiencies within the Department.

ALTERNATIVES

The Board could choose not to approve this revised resolution and the over/short cash limit would remain at \$10.00.

PRIOR BOARD ACTION

2003, Resolution #203-2003
1989, Resolution #80-89
1972, Resolution #371-72
1964, Resolution #22-64

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel approved the draft resolution as to form.

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS

If the resolution is approved, Clerk of the Board will return a copy of the executed Resolution to the Department.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Karen Coleman, MBA

Treasurer-Tax Collector