



POLICY: 10-1 Pyramiding Tax Policy

PURPOSE:

To protect the Town and Taxpayers from unburdenable tax build ups that lose the Town revenue and impoverish the taxpayer to the point of non-recoverability and finally resulting in asset seizure or foreclosure.

DEFINITIONS:

Pyramiding Taxpayer – A taxpayer with a past due amount accruing over three tax Grand List tax cycles exceeding \$10,000 or any Motor vehicle tax past amounts due over \$2000 or any tax past due amounts over four Grand List years or any Taxpayer with past due threshold amounts \$20,000 or greater. Creation of a Jeopardy Bill could cause the account to also be identified as a Pyramiding taxpayer as an additional GL Year is created.

Jeopardy Billing – When a risk to the Town's Collection of Taxes is determined, billing for the current GL will commence at a rate and amount not to exceed the last year's payment or as determined by the Assessor's Office if such bill is not available. (CGS sec 12-163) Overpayments will be refunded through the normal refund process. Additional assessments over the past year's bill amounts will generate another bill that must be paid.

1. All real estate pyramiding taxpayers shall have a lien placed on their real estate property to protect the town from loss of revenue. The Collector of Taxes may forego placement of a lien for the following reasons:
 - a. Direction of a Bankruptcy Court or other lawful authority.
 - b. On-going negotiations or a payment plan between Town Officials and the taxpayer leading to payment of the outstanding balance.
 - c. At the request and in consultation with the Town Attorney or other town authorized attorney specifically designated to handle such cases
 - d. The property in question is deemed worthless or has other factors, such as environmental cleanup concerns that the Town does not want to assume the liability for by foreclosing on the property. A Tax Lien may still be issued to protect the Town's interests in the property.
2. Pyramiding real estate taxes shall be identified and forwarded to the Town Attorney for collection action.
3. Pyramiding Personal Property Taxes will be considered for seizure and liquidation of said personal property. Closure of a business will generate an automatic consideration of seizure and liquidation activities if Personal Property taxes are outstanding.
4. Pyramiding Motor Vehicle taxes will be considered for seizure and liquidation of said motor vehicle. Normally this action will be taken by a Town Constable or State Marshall after collection



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activities have failed to pay the outstanding debt. The Town Tax Collector's Office may also seize vehicles for non-payment of taxes.