



Late Payments by Type, Waiver of Interest  
Tax Collector Policy Number 10-2 Version 03 dated 09/03/2024

**POLICY: 10-2 Late Payments by Type, Waiver of Interest**

**PURPOSE:**

To standardize the handling of payments that are considered late and thus when interest charges will accrue. In order to be in compliance with Connecticut General Statute 12-146 and other court cases, the General Assembly has not granted Tax Collectors or any municipal official, the authority to waive interest owed, unless it is a 100% Town mistake requiring both the Assessor's and Tax Collector's agreement that the error resides with and solely because of errors generated by these offices. **Hence, late payments always are charged interest regardless of the reason the taxpayer is late including non-receipt of a tax bill.** According to the CGS, it is the taxpayers' responsibility, to realize that they have not received their bill and to call or visit the tax office to inquire about what is owed. **In addition, the tax office has provided the capability to review, print, and/or pay their bills on-line through the Town website.**

**DEFINITIONS:**

**Late payment** – Any payment received after a grace period expires is considered late and will begin accruing interest.

**Grace Period** – That period, after Taxes are due, that is given **as a courtesy** to provide for efficient tax collection, usually 31 days after the due date. The actual last day will not be on a weekend or holiday but the next regular business day. **(NOTE The last Payment day has restrictions on timely payments, see Table 1)**

**Due Date** – 1<sup>st</sup> collection period is 1 July and is for the time-period 9 months in arrears (1 OCT) and three months forward (30 SEP) Second Due date for 2<sup>nd</sup> half payments and supplemental Motor Vehicles is 1 January. Prorated assessments are due 30 days after the Tax Bill is created.

**Effective Date** - is the date the payment would have been posted if it had arrived on time such as from the USPS stamped delivery time and dates on envelopes, even if physically received at a later date. Payments do not always qualify as being postable on the effective date of the ends of grace periods, if for example they are paid at the tax window outside the grace period, or the USPS date is outside of a grace period, or is in payment of back taxes. Tax payments received by mail or the express mail slot are time stamped or segregated based on the receipt of the documents and will also be posted as being within the effective grace period date providing the taxpayer has not made a glaring mistake on their payment instrument (not dating or signing the instrument, writing the instrument for a different amount less than the full required payment especially in the legal written amount for payment field) interest will generally be charged in such cases depending on when the corrected document is returned to the Tax Office.



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1. Payments are due on the Tax due dates of the 1<sup>st</sup> of July and the 1<sup>st</sup> of January. Prorated Bills are due 30 days after the Bill Creation Date.
  - a. The tax office provides a grace period for the convenience of paying these Bills and to account for varying mail delivery times of the bills.
  - b. Payments received after the due date are considered late, so payment is expected on the 1<sup>st</sup> of July or 1 of January. For the grace period we waive any additional interest that would have accrued if the bill is paid within the grace period. Waiting to the last minute to pay can result in a payment missing the grace period and the subsequent charging of interest.
  - c. Payments received or posted to Town accounts the next day (Midnight is the next day) or later after the end of the grace period will receive an immediate interest charge for the grace month and the current month (two months!)
  - d. Pro-rated Bills that miss their 30-day grace period will accrue interest for the month in which the bill had to be paid plus interest for the next month just like the payments above.
2. USPS mail payment dates are credited as paid by the envelope time stamp. Commercial (i.e. Quadient [Neopost], Pitney Bowes, Stamps.com, etc.) stamped dates are not acceptable as proof of payment dates as they can be altered by the sender or held before actual deposit in the mail system. These payments will be credited on the day received.
3. For Commercial Express Delivery Service (i.e., Fed EX, UPS, DHL) THE Town will use the IRS Private Delivery Services List (PDS). If the **Private Delivery Service** is **not on the list** the following procedure will be followed: the package needs to have a delivery service level that a normal user would expect to have the package delivered in time to fall within the grace period. For grandfathering under this section, 1. the package must have been deposited with the carrier before the end of the grace period and 2. be sent via a method that the carrier guarantees delivery within the grace period. The taxpayer will be credited with a within-grace-period payment **if both conditions are met**. Failure to select a proper timely method of delivery from commercial carriers not on the approved IRS List resulting in a delivery outside the grace period will be treated as a late payment. Commercial carrier packaging shall show the placement date of the payments by the taxpayer and service requested. **Private Delivery Carriers** on the **IRS list** will follow The USPS rules as authorized by 26 U.S.C. § 7502(f)(1) and Connecticut General Statute § 1-2a(a)and CGS § 12-146. For approved IRS PDS see: [Private delivery services \(PDS\) | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/privatedeliveryservices)
4. Credit card payments are normally credited in the day the credit card **is processed not when placed**. Placements after 11:45 PM ET may be considered late if not processed by 11:59:59 by the vendor. Credit card processing that results in processing at 12:00:00 of the next day are considered late and will be processed as such including additional interest charges. If a vendor provided receipt is generated by the processing vendor with a date within the grace period and it is presented to the Tax Office, interest may be waived as an on-time payment if the Tax Office can verify the receipt as being issued by the vendor with the earlier time stamp within the grace period.
5. Debit Card payments will be treated the same as credit cards for timeliness of payment.



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6. E(electronic)-Checks need to be deposited no later than the last day of the grace period during normal banking hours. That is before the defined cutoff period by the bank being served with the check request.
7. Cash Payments must be made by the normal window closing time at the Town Hall on Orange Center Road on the last day of the grace period in order to be considered an on-time payment.
8. Checks that are presented at the Tax Office Window at Tax Office closing time on the last day of the grace period will fall within the grace period. The taxpayer may use the express mail slot when the window is closed, but the office is open. Receipts will only be given if a self-addressed stamped envelope is provided along with the payment. These payments will also be considered as on-time payments.
9. The Town has no responsibility for checks delivered to the office with errors on them. It is the taxpayers' responsibility to assure instruments provided for payment are written correctly. These errors may and typically do result in late or partial late payments resulting in interest charges on due open balances. The Tax Office in the case of miswritten amounts may at its **sole discretion** submit these checks for payment to minimize the resulting interest payments the taxpayer may accrue. In some cases, a check may not be processable at all and will be returned for reissuance and treated as a bounced check if it was submitted to the financial institution for payment and subsequently returned. **If a check is rejected by the bank for any reason, a \$25 bounced check fee will be charged.** E-checks are considered checks and are subject to the same penalties if they do not clear the payment process. The most common errors for using Electronic checks are bad routing and/or account numbers.

Table 1 Timely Payment Windows Table for the last day of the Grace Period.

Payment Type	Payment is timely if:
At the Town Tax Window	Paid by the window payment closing time
At the Express Mail Slot in the office	Deposited by the Office Closing Time
Credit/Debit Card via Town Payment Website	11:45 PM ET on the Last Day of the Grace Period
Electronic Checks (E-Check) via website	BY Bank Cutoff Time for same day payment
Via United States Post Office	By the Date/Time stamp on the envelope if received outside the grace period
Via Commercial non-USPS Date/Time stamped mail	Payment is received by the end of the Grace Period
Via Private Delivery Service not on the approved IRS List	If placed with the carrier before the end of the grace period AND with a delivery method selected that guarantees delivery within the grace period.
Via Private Delivery Service on the approved IRS List	will follow The USPS rules as authorized by 26 U.S.C. § 7502(f)(1) and Connecticut General Statute § 1-2a(a)and CGS § 12-146.