Distribution of Property Tax Standards of Practice

13

Utah State Tax Commission
Property Tax Division

Rev. August 2014

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Section XIII.I

General Information

Purpose

These standards provide a reference to generally accepted procedures for the apportionment, distribution and reconciliation of property taxes and fees in lieu of property taxes to taxing entities and redevelopment agencies throughout the state.

NOTE: Forms associated with these standards are listed in Appendix 13 B – Referenced Forms can be found at the following location:
http://propertytax.utah.gov/generalinformation/forms/standards-of-practice-forms

Scope

The distribution of property taxes and fees in lieu of property taxes involves remitting taxes, interest, penalties and administrative fees collected by the county treasurer to various taxing entities and redevelopment agencies.

The distribution process is initiated when the county auditor charges the county treasurer with the amount of real property, attached personal property and centrally assessed property taxes to be collected and reconciled. This action takes place after the auditor has "extended" the assessment roll. Extending the roll refers to the process of applying tax rates to the values established by the assessor and State Tax Commission and applying tax credits generated by statutory tax relief to calculate the taxes to be billed and collected.

While there is no statutorily defined procedure for charging the assessor with unattached personal property taxes, we recommend that a procedure be adopted whereby the auditor annually reconciles all amounts billed and collected with the assessor.

Fees in lieu of property taxes for registered vehicles and airplanes should be reconciled in a similar manner.

Legislative Authority

The Utah State Legislature has enacted statutes enabling the counties to distribute property taxes. Title 59 of the Utah Code sets forth statutes relating to property tax revenue distribution. Within that title, the main body of law concerning the distribution of property taxes is found in Chapter 2, Part 13, Section 1365. Other sections of the Utah Code addressing property tax distribution are as follows:

Section 59-2-405 and 405.1 – Distribution of age-based and value-based uniform fees on tangible personal property

Section 59-2-404 – Distribution of uniform fee on aircraft

Section 59-2-506 – Distribution of FAA rollback tax

Section 59-2-801(2)(d) – Apportionment of state-assessed commercial vehicle revenues

Section 59-2-1304 – Proration of personal property tax collections to taxing entities

Section 59-2-1366 – Distribution of penalties, interest and costs associated with collection of delinquent taxes

Definitions

Apportionment: The process of distributing portions (usually a percentage) of total revenues collected to taxing jurisdictions.

Aircraft: Means any contrivance now known or in the future invented used or designed for navigation of or flight in the air (Section 72-10-102).

Assessing and Collecting Levy: A term used to refer to the costs and levies associated with administering the property tax system at the county level.

Centrally Assessed Property: Centrally assessed property refers to all property required to be assessed or valued by the Utah State Tax Commission. This property includes public utilities, property that operates as a unit across state and county lines such as railroads, airlines, pipelines and telecommunications companies, patented mining claims, and property actively used in mining or extraction of minerals, oil, gas or geothermal fluids.

Commercial Vehicle: "A motor vehicle, trailer, or semi trailer used or maintained for the transportation of persons or property that operates: (a) as a carrier for hire, compensation, or profit; or (b) as a carrier to transport the vehicle owner's goods or property in furtherance of the owner's commercial enterprise." (Section 41-1a-102)

County-assessed commercial vehicle:

(a) any commercial vehicle, trailer, or semi trailer which is not apportioned under Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or property in furtherance of the owner's commercial enterprise.

(b) any passenger vehicle owned by a business and used by its employees for transportation as a company car or van pool vehicle; and

(c) vehicles which are:

i. Especially constructed for towing or wrecking, and which are not otherwise used to transport goods, merchandise, or people for compensation;

ii. Used or licensed as taxicabs or limousines;

iii. Used as rental passenger cars, travel trailers, or motor homes;

iv. Used or licensed in this state for use as ambulances or hearses;

v. Especially designed and used for garbage and rubbish collection; or

vi. Used exclusively to transport students or their instructors to or from any private, public, or religious school or school activities." (Section 59-2-102)

Escaped Property: Any property, whether personal, land, or any improvements to the property subject to taxation that is: (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed to the wrong taxpayer by the assessing authority; (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to comply with reporting requirements; or (iii) undervalued because of errors made by the assessing authority based upon incomplete or erroneous information furnished by the taxpayer. Property, which is undervalued because of the use of a different valuation methodology or because of a different application of the same valuation methodology, is not "escaped property." (Section 59-2-309)

FAA (Farmland Assessment Act): Certain real property devoted to agricultural purposes, which may be valued based on its agricultural use. (Sections 59-2-501 through 515)

Fee-In-Lieu of Tax: A fee that is a substitute for the general property tax on property exempt from normal property taxation.

> **Age-based Uniform Fee Vehicles:** Motor vehicles and state assessed commercial vehicles classified under Class 22 in Tax Commission Rule R884-24P-33, such as passenger cars, light trucks/utility vehicles and vans.
>
> **Value-based Uniform Fee Vehicles:** Motor vehicles not classified under Class 22 in Tax Commission Rule R884-24P-33 as well as watercraft and recreational vehicles required to be registered with the state. Also, all other tangible personal property required to be registered with the state before it is used upon a public highway, on a public waterway, on public land, or in the air.

Locally Assessed Property: Locally assessed property is all property assessed by the county assessor. The county assessor is required to value all taxable property, which is not assessed by the Utah State Tax Commission. It includes land, buildings, mobile homes and business personal property such as furniture, fixtures, machinery and equipment. (Sections 59-2-310 and 302)

Community Development and Renewal Agency (CSR): A separate body corporate and politic, created under Section 17C-1-201 or as a redevelopment agency under previous law, that is a political subdivision of the state, that is created to undertake or promote urban renewal, economic development, or community development, or any combination of them, as provided in Title 17C, and whose geographic boundaries are coterminous with: (a) for an agency created by a county, the unincorporated area of the county; and, (b) for an agency created by a city or town, the boundaries of the city or town.

Situs: Legal location of property for property tax purposes. A property's situs determines which taxing entities may levy a tax upon it.

State-assessed commercial vehicle:

(a) Any commercial vehicle, trailer, or semi trailer which operates interstate or intrastate to transport passengers, freight, merchandise, or other property for hire; or

(b) Any commercial vehicle, trailer, or semi trailer which operates interstate and transports the vehicle owner's goods or property in furtherance of the owner's commercial enterprise. "State-assessed commercial vehicle" does not include vehicles used for hire, which are specified as county-assessed commercial vehicles. (Section 59-2-102)

(c) The Tax Commission assesses and collects property tax on these vehicles and distributes the revenue to the counties. (Sections 59-2-403 and 59-2-801)

Tax Area: An area created by the overlapping boundaries of tax entities such as cities, counties, school districts, and special service districts. [Sections 59-2-102 (9) (b) and 59-2-102 (31)]

Taxing Entity: Any county, city, town, school district, special taxing district, or any other political subdivision of the state with the authority to levy a tax on property. [Section 59-2-102 (32)]

Tax Increment Value: The increase in the taxable value of all property within a project area over and above the base year value. The taxes levied against tax increment value are available to Community Redevelopment Agencies to fund redevelopment projects.

Section XIII.II

Standards of Practice

Standard 13.1 Basic Distribution Formula

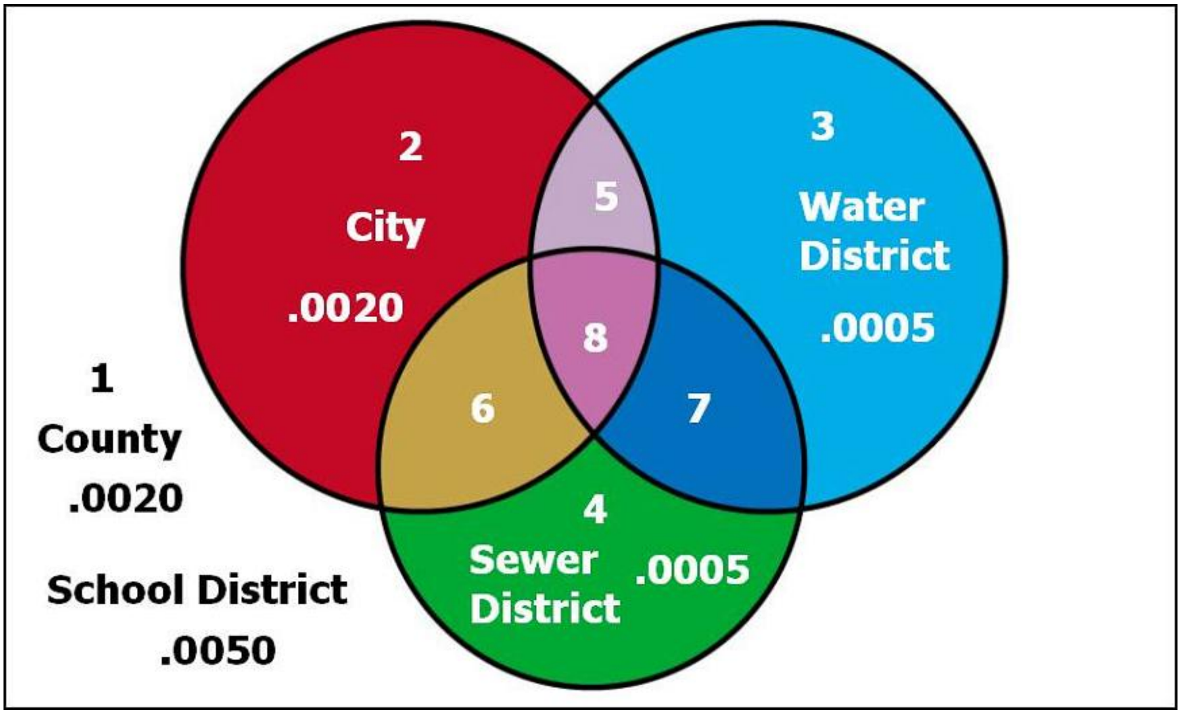
13.1.0 Tax Areas and Taxing Entities

Property taxes are levied, collected and distributed to taxing entities. Taxing entities are those political subdivisions of the state that have statutory authority to levy a property tax; counties, schools, cities, towns and special taxing districts such as water districts, sewer districts or cemetery districts. Taxes are billed and collected by tax area. A tax area is the boundary created by any unique overlap of taxing entity boundaries.

The following example illustrates a county with one school district, a city and two special taxing districts. Note that while there are five taxing entities, there are 8 tax areas created by the overlap of the entity boundaries.

The rectangle and three circles represent the boundaries of five hypothetical taxing entities with the following tax rates:

County	.002000 (rectangle)
School	.005000 (rectangle – same boundary as county)
City	.002000
Water District	.000500
Sewer District	.000500



Combining the ENTITY rates into TAXING AREAS, we have:

Area	Rate	Combination of Entities
1	.007000	County and School District
2	.009000	County, School District & City
3	.007500	County, School District & Water
4	.007500	County, School District & Sewer
5	.009500	County, School District, City & Water
6	.009500	County, School District, City & Sewer
7	.008000	County, School District, Water & Sewer
8	.010000	County, School District, City, Water & Sewer

13.1.1 Nomenclature

The relationship between taxing entities and tax areas is generally referred to as a nomenclature. The Tax Commission publishes a statewide nomenclature each year showing the tax areas and taxing entities in all 29 counties. The Tax Commission tracks all boundary changes; annexations and the creation of new taxing entities, and updates the nomenclature each year. (See *"Example of Nomenclature*" in Appendix A)

13.1.2 Apportionment of Taxes and Fees Within Tax Areas

Most property taxes and fees in lieu of property taxes are collected by tax area because property is taxed based on its situs (where it is located). The property taxes and fees collected within each tax area are apportioned and distributed to the taxing entities whose boundaries create the tax area. The distribution is based upon the relationship between the entities' tax rates.

From the previous example, assume that $1,000 is collected in Tax Area 8. Given the following tax rates, the county would receive 20% or $200 (.002/.01 = 20%). The school would receive 50% or $500 (.005/.01 = 50%). The city would receive 20% or $200 (.002/.01 = 20%). The water district would receive 5% or $50 (.0005/.01 = $50). The sewer district would receive 5% or $50 (.0005/.01 = $50).

Area	County	School	City	Water	Sewer	Total
1	.002000	.005000				.07000
2	.002000	.005000	.002000			.009000
3	.002000	.005000		.000500		.007500
4	.002000	.005000			.000500	.007500
5	.002000	.005000	.002000	.000500		.009500
6	.002000	.005000	.002000		.000500	.009500
7	.002000	.005000		.000500	.000500	.008000
8	.002000	.005000	.002000	.000500	.000500	.010000

The rate used to apportion and distribute the taxes and fees are the rates in effect at the time the tax or fee is levied. If $1,000 in 1998 delinquent taxes were collected in Tax Area 1 in 2000, the taxes or fees would be apportioned and distributed based on 1998 tax rates.

13.1.3 Apportionment of Monies Received Between Multiple Funds

If a taxing entity levies property taxes in more than one fund, it must allocate all, taxes, fees, interest and penalties between its various funds based upon the relationship between the tax rates levied for the respective funds. For example, assume a city levies property taxes for its general fund, a library fund and an interest and sinking fund, and that the tax rates are .0020, .0005 and .0015 respectively. If the entity receives $100,000 in taxes, fees, interest and penalties, it must allocate 50% (.002/.004) or $50,000 to the general fund, 12.5% (.0005/.004) or $12,500 to the library fund and 37.5% (.0015/.004) or $37,500 to the Interest and Sinking Fund.

Standard 13.2 General Distribution of Taxes and Fees

13.2.0 Real Property Taxes

Current Year

Current year taxes are considered a lien as of January 1st of the taxing year. These property taxes are due and payable by November 30th. Beginning July 1, 2010, all property taxes not paid by November 30th are assessed a penalty of either 2% of the amount of the taxes or $10, whichever is greater (Section 59-2-1331). These property taxes are considered current-delinquent taxes. If current-delinquent taxes are not paid before January 16th of the year following the assessment, they are considered delinquent taxes.

Delinquent

Delinquent taxes are any property taxes unpaid as of January 31 of the year following its assessment. Unless the delinquent taxes, together with the penalty are paid on or before January 31st, the amount of taxes and penalty are to be assessed interest on a yearly basis from the January 1 immediately following the delinquent date, the interest is equal to the sum of 6% and the targeted federal funds rate established by the Federal Open Markets Committee existing on the January 1 immediately following the date of delinquency. However, the interest rate may not be less than 7% or more than 10%.

13.2.1 Personal Property Taxes

Current Year

Personal property taxes collected in the current year are to be based on the tax rates levied by all taxing entities for the previous year and distributed to the various taxing entities in accordance with the tax rates levied and approved for the current year, including new entities levying for the first time. (Section 59-2-1304)

Delinquent

Personal property taxes or uniform fees assessed upon personal property are delinquent if the tax or uniform fee is not paid within 30 days after the tax notice or the combined signed statement and tax notice is mailed. Interest is charged from the date of delinquency until the tax or fee is paid at a rate that is equal to the sum of 6% and the targeted federal funds rate established by the Federal Open Markets Committee existing on January 1st immediately following the date of delinquency. (Section 59-2-1302) See the Personal Property Billing and Collecting Standards for a discussion of delinquency and attachment to real property.

13.2.2 Registered Vehicle and Fee-in-Lieu Taxes

Current Year

The revenues collected from the various uniform fees are distributed by the county to each taxing entity in which the property is located in the same proportion as revenue collected from real property tax.

Delinquent

Prior- year tax revenues are to be distributed like current-year revenues. There are no delinquencies on age-based vehicles. The new MVA system calculates only one year of prior taxes; it automatically accounts for property tax as (1) Current Year or (2) Prior Year.

Standard 13.3 Special Property Tax Distributions

13.3.0 General Information

There are some situations where the initial tax collection is not tied to a specific tax area. Also, there are other situations that are outside the normal collection, apportionment or distribution process such as the following:

13.3.1 State-Assessed Commercial Vehicles

Taxes for state-assessed commercial vehicles (motor carriers) are assessed and collected by the State Tax Commission. On a quarterly basis, the Tax Commission distributes a lump sum of taxes to each county based upon a 40% / 60% allocation between lane miles of principal routes within each county and percentage of total state-assessed vehicles having business situs in each county. (Section 59-2-801)

Once the county receives the lump sum distribution, it must apportion the money to the various taxing entities within the county. The county does this by apportioning the lump sum distribution amount between the various tax entities in the same percentage as the prior year's Report 750 "Year-end Statement of Taxes Charged.

13.3.2 Utility Company Motor Vehicle Fee-in-Lieu Taxes

The State Tax Commission collects fees-in-lieu taxes for vehicles registered by Questar, Pacific Corp and Quest. These companies identify the counties where their vehicles are located. After billing and collecting the money, the State Tax Commission provides affected counties with a lump sum distribution. The county distributes this money in the same manner as other registered vehicle and fee-in lieu tax revenue.

13.3.3 Aircraft Registration and Property Tax

All aircraft required to be registered with the state are subject to a uniform statewide fee in lieu of property tax of $25 (Section 59-2-404). The annual registration fee is 4% of the average wholesale value of the aircraft; the Tax Commission is to use the average wholesale value as stated in the *Aircraft Bluebook Price Digest*. Those aircraft not listed in the *Aircraft Bluebook Price Digest*, and experimental aircraft are to pay a registration fee of $100. An aircraft 50 years or older is to pay the lesser of $100 or the uniform fee of 4% of the average wholesale value. Aircraft that do not have a valid airworthiness certificate for a period of six months or more may not apply for a certificate of registration required under Section 72-10-109 and are exempt from paying a registration fee until the aircraft has a valid airworthiness certificate (Section 72-10-110). The registration period is from January 1 through December 31st, however, a grace period to January 31st is allowed for renewal registrations. The Tax Commission is to collect the uniform fee and the registration fee. The uniform fee money received is to be distributed to each taxing entity, within the county wherein the aircraft is located, in the same proportion as revenue collected from real property tax. After deducting the costs of administering all aircraft registrations, the Tax Commission deposits the remaining aircraft registration fees in the Transportation Fund's Restricted Revenue Account.

13.3.4 Railcars

The State Tax Commission apportions taxable value of railroad rolling stock and the taxable value of private railroad car companies to tax areas within the county. The Tax Commission bills and collects property tax and calculates (by county and tax area), the amount to be distributed.

13.3.5 Rollback Tax

When a property is removed from assessment under the Farmland Assessment Act (FAA), a rollback tax is charged. The rollback tax is the difference between the tax that was charged and the tax that would have been charged had the property not received the special FAA assessment rates. The rollback tax is charged for the five prior years. Once collected, the rollback taxes are distributed based on the current year's tax rates and not the rates for the years for which the rollback tax is assessed. [Section 59-2-506 (5)]

13.3.6 Escaped Property Taxes

Escaped property, as defined in Section 59-2-102(11), may be assessed and taxed up to five years prior to the time of discovery. Taxes collected on escaped property should be treated as miscellaneous collections and apportioned and distributed to the various taxing entities based on the rates for the years for which the property escaped assessment.

13.3.7 Personal Property Audit Taxes

Taxes collected in conjunction with personal property audits should be treated in the same manner as escaped property.

13.3.8 Tax Commission or Court Ordered Refunds

When a court, State Tax Commission, or local board of equalization issues a decision to reduce a taxpayer's prior year(s) value and a refund (including interest as provided in Section 59-2-1330), is to be issued, this refund should be accounted for as a negative adjustment to current-year miscellaneous collections.

13.3.9 Penalties, Interest, Costs of Collection

Penalties, interests and costs associated with the collection of delinquent taxes are distributed to the taxing entities in the following manner: (Section 59-2-1366)

1. Sixty percent (60%) is retained by the county.
2. Forty percent (40%) of the interest, penalties and costs are apportioned and distributed to all taxing entities (including the county), in the same manner as current or delinquent.

13.9.1 Other Types of Penalties

Penalties levied under the following sections should also be distributed in the same manner:

1. Section 59-2-307 – Penalty for failure of taxpayer to file signed statement on locally assessed personal property. Penalty is 10% of the estimated tax due but not less than $100.
2. Section 59-2-309 – Penalty for willful concealment of property. Penalty is equal to the tax on its value and cannot be waived except under certain circumstances.
3. Section 59-2-506 (2) – Penalty for failure to notify assessor and pay FAA rollback tax. Penalty is equal to the greater of $10 or 2% of the rollback tax due for the last year of the rollback period.
4. Section 59-2-210 (3)(d)– Penalty for failure of a unit operator to collect tax from fractional interest owners. Penalty is equal to the amount of the tax due and owing the county for the tax period in question. [See R884-24P-10 (D)]
5. Late filing penalty for utility centrally assessed property under Section 59-2-202 (3) (b) and natural resource centrally assessed property under Section 59-2-207 (3) (b). The county treasurer may require these taxpayers to pay tax liability immediately, if the taxpayer gives an indication of leaving the state, removing property from the state or otherwise hindering the collection process. [Section 59-2-1308 (2) (a)]

13.3.10 Interest Earned on Monies Invested

On or before March 31st each year, the county must pay the taxing entities for their share of interest on monies invested. Interest earned on invested funds is apportioned to a taxing entity based on the proportion the entity's receipts bear to total receipts. [Section 59-2-1365 (2) (d)]

Standard 13.4 Other Property Tax Distribution Considerations

13.4.0 Assessing And Collecting Levies

The purpose of the assessing and collecting levies is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes. These are two assessing and collection levies: (1) multicounty assessing and collecting levy and (2) county assessing and collecting levy.

13.4.0.1 Multicounty Assessing And Collecting (MAC) Levy

Every county is to annually impose a multicounty assessing and collecting (MAC) levy. In every county, the MAC tax rate for calendar year beginning on January 1, 2014 is .000013. Beginning 1, 2015 and thereafter, the tax rate will be the certified revenue levy. This levy is to be listed separately and by name (Multicounty Assessing and Collecting Levy) on the Notification of Property Valuation and Tax Changes. Counties do not retain any money collected from the MAC levy. Each county is to transmit to the state treasurer, no later than the tenth day of the month following the end of the quarter, the revenue collected from this levy. If the revenue is transmitted late, the county is to pay an interest penalty of 10% each year until paid. Revenue collected from this levy is to be allocated as follows:

- 82% deposited into the Multicounty Appraisal Trust
- 18% deposited into the Property Tax Valuation Agency fund

Revenue deposited into the Multicounty Appraisal Trust will continue to provide funding for a statewide CAMA (computer assisted mass appraisal system).

Revenue deposited into the Property Tax Valuation Agency Fund is to be allocated by the state auditor based upon an annual study of fourth, fifth and sixth class counties to determine:

- Costs of assessing and collecting
- Ability to generate revenue from an assessing and collecting levy
- Burden of levying a property tax sufficient to cover the costs of assessing and collecting

13.4.0.2 County Assessing And Collecting (CAC) Levy

A county is allowed to levy a county assessing and collecting (CAC) levy. This levy is to be listed separately and by name (County Assessing and Collecting Levy) on the Notification of Property Valuation and Tax Changes. The levy is not to be incorporated into the rate of any levy. Also, it is exempt from the maximum levies allowable under Section 59-2-908.

13.4.1 Redevelopment Tax Increment Funds

Redevelopment tax increment funds are distributed to redevelopment agencies based upon revenues budgeted and requested by a redevelopment agency. Amounts budgeted, requested, and distributed should be tied to specific project areas. A redevelopment agency may have multiple project areas.

The tax increment value is the difference between the total taxable value of all taxable property within the project area, excluding registered vehicles, minus the project area base year value. The base year value is the taxable value of all property within the project area that was listed on the last equalized assessment roll at the time the project was adopted.

13.4.1.0 Amount of RDA Tax Increment Distributed

The amount distributed is computed by multiplying the project area tax increment value times the aggregate tax rate of all taxing entities whose boundaries overlap the project area. For example, assume the tax increment value is $10,000,000 and the following taxing entities and tax rates.

County	.002000
School District	.005000
City	.002500
Special Service District	.000500
Total Tax Rate	.010000

The tax increment funds available for distribution equal $100,000 ($10,000,000 X .01) For projects adopted after May 3, 1993, assessing and collecting tax rates adopted pursuant to 59-2-906.1 may not be used when computing or distributing tax increment funds.

When tax increment funds requested and budgeted exceed the tax increment funds available, the distribution is limited to tax increment funds available. When tax increment funds available are greater than the funds requested and budgeted by the redevelopment agency, the distributions should be limited to the increment requested and budgeted by the redevelopment agency.

13.4.1.1 Negative Base-Year Value

Tax increment funds distributed to redevelopment agencies should never be based upon a negative base year value unless specifically directed by statute. (See Certified Tax Rate Standard of Practice 10.8)

13.4.1.2 Tax Increment Refund Avoidance

Once tax increment funds are distributed, a redevelopment agency may not refund money and the county should not accept a refund of tax increment distributions except where an error in computing the amount of the distribution is discovered. Refunds of and redistribution of tax increment funds should be avoided because of the impact on certified tax rate calculations.

Standard 13.5 Reconciliation Of Property Taxes

13.5.0 County-Adopted Accounting Procedures

The county must adopt appropriate procedures to account for the transfer and receipt of money between the county and the taxing entities. At a minimum, these procedures should include a reconciliation between the county auditor, county treasurer, county assessor and State Tax Commission for property taxes and fees in lieu of property taxes charged and collected. Subsidiary journals, ledgers and worksheets should be used to document the reconciliation and should be maintained for five years.

13.5.1 Monthly Payments to Taxing Entities

Section 59-2-1365 (1) requires the county treasurer to pay each taxing entity in the county by the tenth day of each month all monies received during the previous month that are due the taxing entity. All monies received include delinquent taxes, penalties and interest, prepayments and costs on all tax sales and redemptions.

The county and taxing entities may negotiate alternative procedures including another date for the receipt and transfer of funds between the county and the entities. However, any alternative procedures should be in the form of a written agreement.

13.5.2 Annual Final Settlement Reconciliation

The final settlement reconciliation involves accounting, by tax area, for all taxes, fees, penalties, costs and interest charged, collected and abated. This reconciliation becomes the basis for settlement with the various taxing entities.

The final settlement reconciliation should include the following:

13.5.2.1 Taxes Charged

This amount equals the “Current Year’s Year-End Taxable Value” adjusted for redevelopment tax increment value for real, personal and centrally assessed property multiplied by the “Current Year’s Tax Rate”. “Taxes Charged” does not include fees in lieu of property taxes, taxes collected on state-assessed commercial vehicles (motor carriers), delinquent taxes, penalties, interest rollback taxes, taxes on escaped property and taxes collected in conjunction with personal property audits.

13.5.2.2 Redevelopment Tax Increment Value Adjustment

For a tax area, which includes a redevelopment, or economic development project that receives tax increment funds, an adjustment must be made for the amount of tax increment funds to be distributed to the redevelopment agency. The adjustment is computed by dividing the tax increment funds to be distributed by the aggregate tax area tax rate. This adjustment is made to the “Current Year’s Year End Value” prior to computing taxes charged.

13.5.2.3 Current Year’s Taxes Collected

The amount of current year’s property tax the treasurer collected in the tax area. It does not include fees in lieu of property tax, collections on state assessed commercial vehicles (motor carriers), delinquent taxes, rollback taxes, taxes on escaped property, collections arising from personal property audits, miscellaneous collections, penalties or interest.

13.5.2.4 Treasurer’s Relief

Not all current year’s taxes are collected in the year of assessment and some of the taxes may be abated for various reasons. “Treasurer’s Relief” is the difference between taxes charged and taxes collected. “Treasurer’s Relief” means the treasurer is relieved from collecting and distributing the following:

a. Overages and Shortages – Not all payments are for the exact amount of the tax. Where the difference is immaterial, for example, plus or minus $1, the county does not issue a refund or pursue collection of the remainder due.

b. Difference Due To Tax Rates – Personal property taxes are billed based on last year’s tax rate but charged and apportioned based on the current year’s tax rate. The difference between these rates multiplied by taxable value is part of treasurer’s relief. For example, if last year’s tax rate (.0150) is greater than this year’s tax rate (.0140), billings will be greater than taxes charged. Assuming taxable value of $10,000,000, taxes charged would equal $140,000 ($10,000,000 X .0140) and taxed billed would equal $150,000 ($10,000,000 X .015). The $10,000 difference becomes a credit to treasurer’s relief.

c. Statutory Tax Relief – There are four specific types of statutory tax relief; the veteran's exemption, blind exemption, indigent abatement/ deferral and circuit breaker tax relief. These specific forms of tax relief are to be treated as credits to taxes levied. An indigent deferral should be treated as a delinquent or unpaid tax. Only the non-reimbursable portion of the Homeowners Circuit Breaker Tax Credit is included in treasurer's relief. The reimbursed portion of the circuit breaker credit should be included in taxes collected.

d. Board Ordered Adjustments – Credits to taxes charged may result from adjustments for duplicate assessments, illegal and erroneous assessments or corrections for errors and omissions. Many counties refer to these adjustments as "board ordered adjustments" because they require action by the board of county commissioners or the county council.

e. Unpaid Taxes – The largest portion of Treasurer's Relief is the taxes that remain unpaid as of January 16th following the year of assessment and which are then transferred to the delinquent tax account.

f. Pumping Plant Exemptions – Section 59-2-1110 authorizes an exemption relative to the use of electricity in pumping water for irrigation purposes for fiscal year ending September 30th. The Tax Commission calculates the exemption and notifies county treasurers to allow either a credit or rebate of taxes already paid.

County tax systems should be capable of producing subsidiary journals or lists of the various categories of treasurer's relief showing the date, type and amount of each transaction.

13.5.2.5 Other Monies

In addition to current taxes, the reconciliation should account for the collection of the following monies:

a. Fees In Lieu of Property Taxes – The total of all collections of fees assessed on registered vehicles, vessels and airplanes.

b. State Assessed Commercial Vehicles (motor carriers) – collections on state assessed commercial vehicles should be set forth separately or combined with miscellaneous collections.

c. Delinquent Taxes – The total of payments received on delinquent taxes for the previous calendar year.

d. Interest, Penalties and Costs – The total of all interest and penalties collected in conjunction with delinquent taxes and any other penalty or late fee assessed in conjunction with the assessment or taxation of property.

e. Miscellaneous Collections:

   1) FAA Rollback Taxes – These taxes are collected when property is removed from assessment under the Farmland Assessment Act.

   2) Escaped Property – Amounts collected in conjunction with the assessment of escaped property.

   3) Personal Property Audits – Taxes collected as the result of personal property audits are treated in the same manner as escaped property.

   4) Refunds of Prior Years' Taxes Out of Current Taxes – When current year's collections are used to pay for a refund for a reduction in prior years' values and taxes, for example, in conjunction with a State Tax Commission decision on centrally assessed property, the refund should be accounted for as an adjustment to

"Miscellaneous Collections" and not as current year's "Treasurer's Relief". Treating the refund as current year's "Treasurer's Relief" inappropriately reduces an entity's current year's collections and certified tax rate.

13.5.3 Final Settlement with Taxing Entities

On or before March 31st each year, the county is to make a final settlement with all taxing entities for all taxes, interest, penalties and costs collected in the previous calendar (tax) year. (Section 59-2-1365(2)(b)

Appendix 13A

Example of Nomenclature

Daggett County Tax Areas			
Tax Area #	**Year**	**Nomenclature**	**County District ID**
115	2002	1010, 2010, 3010, 4020 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT 3010 MANILA 4020 DAGGETT COUNTY MOSQUITO ABATEMENT (B)	053
16	2002	1010, 2010, 4010 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT 4010 DAGGETT COUNTY WATER & SEWER DISTRICT (A)	052
117	2002	1010, 2010, 4010,4020 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT 4010 DAGGETT COUNTY WATER & SEWER DISTRICT (A) 4020 DAGGETT COUNTY MOSQUITO ABATEMENT (B)	052
118	2002	1010, 2010, 4020 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT 4020 DAGGETT COUNTY MOSQUITO ABATEMENT (B)	054
119	2002	1010, 2010 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT	051
2800	2002	1010, 2010, 4010, 4020, 4025 1010 DAGGETT COUNTY 2010 DAGGETT COUNTY SCHOOL DISTRICT 4010 DAGGETT COUNTY WATER & SEWER DISTRICT (A) 4020 DAGGETT COUNTY MOSQUITO ABATEMENT (B) 4025 DAGGETT COUNTY SERVICE AREA No. 1 (C)	099

Daggett County Tax Entities

Entity #	**Year**	**Short Description**	**Levy**
	County Levies		
1010	2002	DAGGETT COUNTY	0.001899
	School District Levies		
2010	2002	DAGGETT COUNTY SCHOOL DISTRICT	0.004715
	Incorporated Area Levies		
3010	2002	MANILA	0.001035
	Special District Area Levies		
4010	2002	DAGGETT COUNTY WATER & SEWER (A)	0.000696
4020	2002	DAGGETT COUNTY MOSQUITO ABATEMENT (B)	0.000356
4025	2002	DAGGETT COUNTY SERVICE AREA NO. 1(C)	0.001388

Appendix 13 B

Forms referenced in this document can be viewed by clicking on the form titles listed below or by visiting http://propertytax.utah.gov/generalinformation/forms/standards-of-practice-forms

Year-End Statement of Taxes Charged, Collected and Disbursed—Report 750