



## **COVID-19 Related Delinquent Secured Property Tax Penalty & Interest Waiver Policy:**

The Office of the Alameda County Treasurer-Tax Collector (ALCO TTC) recognizes that Alameda County residents are being impacted by the COVID-19 Shelter-In-Place (SIP) Order commencing on March 17<sup>th</sup>. In addition to health issues, taxpayers may be experiencing severe financial hardships due to the virus and the SIP Orders.

On April 11<sup>th</sup>, 2020, the ALCO TTC issued policies designed to help taxpayers determine if they qualify for a waiver of delinquent penalties, interest, or costs related to the second installment payment of delinquent taxes paid after April 10<sup>th</sup>. On May 6<sup>th</sup>, 2020, Governor Gavin Newsom issued Executive Order N-61-20, which addressed the issue of waivers. Therefore, the ALCO TTC policy needs to be slightly modified in order to comply with the Governor's Executive Order. The new policy, regarding secured real property taxes, will be effective from June 1, 2020 through May 6, 2021.

### **THE LAW**

Under current state law (Revenue and Taxation Code Section 4985.2), the auditor or the tax collector may cancel a penalty, cost, or other charges resulting from tax delinquency if the failure to make a timely payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect.

### **ALAMEDA COUNTY TREASURER-TAX COLLECTOR POLICY**

The ALCO TTC will consider applications for waivers of penalties, interest, and costs for delinquent taxes if the reason for delinquent payment is due to demonstrated COVID-19 related circumstances such as health or financial hardship to the taxpayer, and the other elements of the statute are met.

### **ELIGIBILITY AND PROCEDURES**

The ALCO TTC is reviewing waiver penalty requests on a case-by-case basis. The 2020-2021 second installment review will begin on Tuesday, April 13<sup>th</sup>. In addition to the statutory criteria, the ALCO TTC requires the following conditions for consideration of waiver applications under this new policy:

- Second installment for fiscal year 2019-20; first and second installments for fiscal year 2020-21;
- All previous installments must be paid in full, with any associated penalties, interest and costs, before consideration will be given for waiver of penalties and other costs;
- All previous installment payment plan agreements must be current, before consideration will be given for waiver of penalties and other costs;
- Full payment of taxes must be made by May 6, 2021; at this time, no partial payments are allowed;
- Property eligible for a penalty waiver must be either real property which is owned and occupied by the taxpayer as their principal residence or real property which is owned and operated by a

taxpayer which qualifies as a small business under the specific definitions under the Small Business Administration, including rental properties which are operated by owners who are active in the management of those properties;

- Supporting documentation must be included, substantiating the request (below are examples of documentation, but other types may be used if they provide substantiation):
  - COVID-19 related medical circumstances and evidence that may be considered include:
    - Documented COVID-19 testing doctor referral (isolation)
    - Documented COVID-19 testing results (isolation, quarantine, hospitalization) for the taxpayer
    - Hospital release form indicating date of admission of the taxpayer
  - COVID-19 related economic considerations that may be considered include demonstrated from loss of income by the taxpayer directly caused by COVID-19 circumstances, which took place after the effective date of the County of Alameda Public Health Officer's Shelter-In-Place (SIP) Order commencing March 17<sup>th</sup>. Examples are:
    - Unemployment of the taxpayer, demonstrated by:
      - Employment notification letter/e mail
      - California EDD Unemployment Letter
    - Significantly reduced hours of unemployment for the taxpayer, demonstrated by:
      - Employment notification letter/e mail
      - Pay Stubs before and after SIP
  - Loss of income due to closure or reduction of the taxpayer's trade or business, demonstrated by:
    - Monthly financial statements
    - Sales tax reports
    - Reports showing customer losses

Provide documentation showing ownership of business, including current business license.

- Loss of rental income owed to the taxpayer, demonstrated by:
  - Monthly financial statements
  - Report showing rent rolls and delinquency reports
  - Application for Forbearance by lender
  - Evidence of forgiveness of rent or rent increase

Provide current business license.

- The waiver request must be signed, under penalties of perjury, to evidence the representations made.

**SUBMISSION OF REQUEST**

When ready to make the payment, prepare the application form found on the Treasurer-Tax Collector website: <http://treasurer.acgov.org>. There are a few ways to receive and submit the application, supportive documentation, stub and payment:

1. Fill out the application online, sign electronically, and mail the payment stub and check for exact tax due amount without penalty. If you choose to pay online instead, you will be charged the penalty and interest, but that will be refunded if application is approved. **Payment should be made within 15 days of submitting the on-line form.**
2. Download the fillable application, print it out, sign it, and mail it with the supportive documentation, payment stub, and check for exact tax due amount without penalty.
3. You may also call the ALCO TTC office at 510-272-6800 and request an application to be sent to you. Once received, fill it out and return it to the TTC with the supporting documentation, payment stub, and check for exact tax due without penalty. During the SIP, applications will also be available to pick up in the ALCO TTC Lobby.

Payment should be made payable to “Henry C Levy, Treasurer-Tax Collector, Alameda County”. The check should include the parcel number of the property and the words “COVID-19 Payment” in the memo line.



Mail the payment to:

**ATTN: COVID-19 Penalty Waiver Request  
Alameda County Treasurer and Tax Collector  
1221 Oak Street  
Room 131  
Oakland, CA 94612**

**We will process qualified waiver requests as we receive them. We will notify taxpayers of denials and tentative approval as soon as we have made a determination. However, we cannot make a final determination of approval unless payment is made.**

**If the waiver request is denied, the payment will be rejected and returned to the taxpayer, and delinquent penalties and interest will apply.**

**This procedure will be in place from June 1<sup>st</sup>, 2020 through May 6<sup>th</sup>, 2021.**