



**DATE:** July 14, 2023

**TO:** Finance Committee and Village Board

**FROM:** Finance Director Monica Hughes

**RE:** 2021 Delinquent Personal Property Tax

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Personal property taxes are due annually as of January 31<sup>st</sup>. At that time any unpaid taxes are the municipality's responsibility for collection unlike real estate taxes. Annually there are a number of unpaid small bills which the Village normally needs to write off. When possible these bills are sent to collection and funds are revenue when collected. The Village is limited in which bills can be forwarded to collection because of insufficient information on the business and/or owner.

Staff has contacted the businesses with additional letters requesting payment and phone calls. Staff has been successful in collecting a number of bills this spring. The Village has the ability to charge back the other taxing entities for their share but only for taxes that are owed by an entity that has ceased operation, filed for bankruptcy, or are due on personal property that has been removed from the next assessment roll. This must be done by April 1 of the following year. The Village Clerk has filed for 2021 reimbursement and funds have been received. The business on the top of the spreadsheet represent these business and the Village must know write off our portion of the bill.

It should be noted that the recent State Legislature approved the elimination of personal property tax beginning in the 2024 assessment year. The current year will be the final year for personal property to be included in our assessment roll and taxed. The State has indicated it will provide additional revenue to each municipality to offset the loss of tax on personal property. Our 2022 tax roll include personal property of \$4,143,900 or .29% of our total roll. Taxes owed on this property were \$21,615.

Attached is a current list of the 2021 outstanding taxes which staff recommends be written off. Collection will continue to be pursued when possible.