

## Collecting Overdue Taxes

Latest Revision: The revision bar ( | ) identifies changes to the previous version of this bulletin dated November 2014. For a summary of the changes, see Latest Revision at the end of this document.

This bulletin explains the general collection process when an individual or company owes royalties, taxes or security to the Province. Our collection process ensures royalty and tax programs are administered consistently and fairly throughout BC. For a list of the applicable acts, see the references below.

**Note:** The collection procedures for **overdue rural property taxes** are significantly different from the procedures described in this bulletin.

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## Notice of Assessment and Statement of Account

### Why Have I Received a Notice of Assessment?

A *Notice of Assessment* advises you of a debt that you or your company owes to the Province. In addition to the royalty, tax or security being assessed, the notice may include interest and penalties.

The notice explains the reason for the assessment or reassessment. For example, it may be the result of an audit or a tax return being filed late. The notice also provides you with contact information and possibly a legal warning.

Generally, when you receive a *Notice of Assessment*, you will also receive a *Statement of Account* that shows you the total amount due for this assessment, plus any outstanding amounts you may owe for other assessments. Refer to the *Statement of Account* to ensure you pay the full amount owing.

A *Statement of Account* is issued monthly to advise you of the status of your debt, including any accrued interest. This statement also provides information on how to pay and how to contact us.

**Note:** You will not be issued a *Statement of Account* if there is no amount owing on your account (e.g. you prepaid your assessment).

### **How Do I Pay My Assessment?**

You can pay most assessments online using **eTaxBC**. For more information, go to [gov.bc.ca/etaxbcinfo](http://gov.bc.ca/etaxbcinfo)

Other payment options are also available, including paying by mail, through your financial institution or at your local Service BC office. You will find a list of payment options on the back of your *Statement of Account*.

If you are not making your payment online, please include the payment stub portion of your statement when you make your payment.

Make sure you pay the total amount due shown on your *Statement of Account*. You must pay in Canadian funds, even if you are paying from outside Canada.

### **What Happens if I Do Not Receive the Notice of Assessment or Statement of Account?**

We send *Notices of Assessment*, *Statements of Account* and other important letters to the address on your file. Make sure you notify us if your mailing address changes, so you receive these documents in a timely manner and avoid the potential for additional interest charges.

### **What Should I Do if I Disagree With the Assessment?**

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If you disagree with or do not understand the assessment, call the phone number on the notice. We can explain the assessment or help you resolve the assessment if an error has been made. We can also explain the appeal process so you may exercise your right to appeal.

## **I am Appealing the Assessment. Do I Have to Pay Right Away?**

An appeal does not extend the time you have to pay the debt. You are required to pay all amounts stated on the notice.

You may ask us to delay collection action if the amount you owe is under appeal to the Minister of Finance and you provide satisfactory security for the debt. However, interest will continue to be added to your account while your file is under ministerial appeal.

If your appeal is successful, you will be credited for any overpayment plus applicable interest.

Collection action cannot be delayed for appeals to the court.

For more information, see [Bulletin GEN 002, Appeals](#).

## **Can I Have Additional Time to Pay?**

If you are unable to pay the entire amount of your outstanding debt, we may consider alternative payment arrangements.

Before accepting a payment proposal, we need to determine your ability to pay. You must make full financial disclosure, including evidence of your income, expenses, assets and liabilities. We will verify the information you provide and advise you if your proposal has been accepted.

Interest will continue to be charged on all outstanding account balances.

## **Collection Action**

Collection action is taken when payment in full has not been received or satisfactory payment arrangements have not been made. We are committed to working with you to find solutions that will avoid collection action.

It is important to note that we do not always call taxpayers before collection action is taken. We rely on the *Notices of Assessment, Statements of Account* and letters mailed to you to advise you of your debt and to provide you with a legal warning for collection action.

## Types of Collection Action

If we do not receive a satisfactory response to the *Notice of Assessment, Statement of Account* or letter, the following collection action may be taken:

- Place a lien on your real or personal property
- Issue a demand (garnishment) of your wages, bank account or accounts receivable
- Seize funds owed to you by the provincial or federal government
- File a certificate in the Supreme Court of British Columbia that may be taken as a court judgment in favour of the government
- Seize and sell your assets
- Apply for a court-ordered sale of your real property
- Hold board members personally liable for a corporation's tax debt under the *Carbon Tax Act, Motor Fuel Tax Act, Provincial Sales Tax Act* or *Tobacco Tax Act*. For more information, see [Bulletin CTB 006](#), *Board Member's Liability*.

**Note:** These actions may affect your credit rating.

## Need more info?

Online: [gov.bc.ca/taxes](http://gov.bc.ca/taxes)

Email: [RMBTaxpayerInquiries@gov.bc.ca](mailto:RMBTaxpayerInquiries@gov.bc.ca)

For more information, call the phone number shown on the *Notice of Assessment, Statement of Account* or letter you received, or call:

- Anywhere in Canada: 1 866 566-3066
- Outside Canada: 250 387-6727

You can also contact us through Service BC:

- In Victoria, or outside Canada: 250 387-6121
- In Vancouver, or outside Canada: 604 660-2421
- Anywhere in Canada: 1 800 663-7867

**Subscribe** to receive email notifications when B.C. tax information is updated.

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation.

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## **Latest Revision**

January 2020

- Clarified that monthly *Statements of Account* are sent to taxpayers with amounts owed to the Province
  - Added a court-ordered sale of real property as possible collection action to recover a debt
  - Added legislative references to the bulletin
  - Other minor changes
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References: *Carbon Tax Act, Employer Health Tax Act, Insurance Premium Tax Act, International Business Activity Act, Logging Tax Act, Mineral Tax Act, Motor Fuel Tax Act, Oil and Gas Activities Act, Petroleum and Natural Gas Act, Property Transfer Tax Act, Provincial Sales Tax Act, Speculation and Vacancy Tax Act, Tobacco Tax Act* and debts outstanding under the previous *Consumption Tax Rebate and Transition Act, Hotel Room Tax Act* and *Social Service Tax Act*.