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Collecting Overdue Taxes

This bulletin provides general information about the collection process when an individual or company owes taxes to the provincial government. The Ministry of Finance collects provincial tax debts and ensures that taxes are administered consistently and fairly throughout BC. For a list of the applicable tax acts, see the References below.

Please note that collection procedures for [overdue rural property taxes](#) are significantly different from those described in this bulletin.

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Notice of Assessment

Why Have I Received a Notice of Assessment?

A notice of assessment advises you of a tax debt that you or your company owes to the province. A debt may include tax, interest and penalties.

The notice explains the reason for the assessment or reassessment, for example, due to an audit or because you filed your tax return late. Also, the notice indicates how much you owe, the process for paying the debt, contact information and possibly a legal warning.

What Should I Do When I Receive a Notice of Assessment?

You should pay the tax debt shown on the notice.

You can pay at your local bank or credit union, or by mailing a cheque, bank draft, or money order payable to the Minister of Finance at the address shown on the notice. Please include the payment stub portion of your notice or statement of account when making your payment.

You can also pay assessments of provincial sales tax, motor fuel tax, and carbon tax online using [eTaxBC](#).

What Happens if I Do Not Receive the Notice?

Notices, letters and statements are sent to the address on your file. Please notify us if your mailing address changes to ensure that you receive notices, letters and statements. If you didn't receive a notice, or if you received a notice late, penalty and/or interest may be charged.

What Should I do if I Disagree With the Assessment?

If you disagree with or do not understand the assessment notice, or you think an error has been made, call the phone number shown 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 to you so you can exercise your right of appeal if you choose.

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 taxes, penalties and interest shown on the notice.

You may request a delay in collection action if the amount you owe is under appeal to the minister 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 receive a refund of the disputed amounts paid with 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 tax debt, we will consider alternative payment arrangements.

Before accepting a payment proposal, we need to determine your ability to pay. You will be required to 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 and 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, letters and statements mailed to you to advise you of your tax debt and to provide legal warning for collection action. If you have any questions, please contact us at the phone numbers provided on the notice, letter or statement, or at the phone numbers listed below.

When Does Collection Action Begin?

If you ignore a written notice, fail to contact us or do not make alternative payment arrangements, collection action may be initiated.

We may take the following collection action to recover a tax debt:

- 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 of judgment in British Columbia Supreme Court
- seize and sell your assets
- hold board members personally liable for a corporation's tax debt under the *Carbon Tax Act*, *Motor Fuel Tax Act*, *Provincial Sales Tax Act* and *Tobacco Tax Act*. For more information on board member's liability, see [Bulletin CTB 006](#), *Board Member's Liability*.

It is important to note that these actions may affect your credit rating.

Need more info?

Online: gov.bc.ca/taxesandrebates

For more information, call the phone number shown on the notice, letter or statement you received or:

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

You can also contact us through Service BC:

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

Access our forms, publications, legislation and regulations online at gov.bc.ca/taxesandrebates

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

References: *Carbon Tax Act, Insurance Premium Tax Act, Logging Tax Act, Mineral Tax Act, Motor Fuel Tax Act, Property Transfer Tax Act, Provincial Sales Tax Act, Tobacco Tax Act.* Also, outstanding taxes under the previous *Consumption Tax Rebate and Transition Act, Hotel Room Tax Act and Social Service Tax Act*