



ALASKA
MUNICIPAL
LEAGUE

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2025 Tax Conference

“Build Tax Better”

Pursuing
Collections
Actions

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Pursuing Collections Enforcement

Sales Tax Collections Enforcement

This session will address the following topics:

1. Ensuring proper enforcement tools are in your code.
2. Usage of 3rd party collection agency.
3. Legal actions that can be taken to collect.

Enforcement Tools – Code Language

Key Code Provisions to support enforcement actions

- Ability to prepare assessments
 - Audit assessments
 - Estimated assessments for non-filers
 - Including administrative provisions for business to contest or appeal assessment
- Sufficient penalties to dissuade businesses from failing to comply
- Code language to allow passing collection costs on the business including:
 - Lien filing fees,
 - Attorney fees
 - Collection costs, including 3rd party collection agency costs

Enforcement Tools – 3rd party Agency

Using a 3rd Party Collection Agency

Once a balance is established and the business has failed to remit or make payment arrangements, action on the balance due is needed. One approach to be considered is the use of a 3rd party Collection Agency.

Benefits to using a collection agency

- Agency has a variety of tools at their disposal that city staff may not have time or knowledge to use.
- Collection fees typically range from 30-40% and can also be passed on the business if your code is set up to allow it.
- Beneficial in small communities such that city staff won't have to be “the bad guy” trying to collect from people they likely know.

AML Municipal Debt Collection Program

Administered by AML as Shared Service

- AML has established contract with a collections company
- Will offer as a service for communities to sign up
- Valid for debt for person/entity regarding sales tax, utilities, property tax, etc.
- Collections agency charges a fee, depending on local municipal code, the fees can be passed to debtor

In Process of Being Developed

- Will be rolled out soon



Legal Collections Process