

TO: ALL COUNTY PERSONNEL
FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR
PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)
SUBJECT: PUBLIC SERVICE TAX COMPLIANCE
PPM #: CW-F-035

ISSUE DATE
May 10, 2024

EFFECTIVE DATE
May 10, 2024

PURPOSE:

To establish procedures to identify all vendors subject to the Palm Beach County Public Service Tax, and to ensure that the vendors identified have been notified and are appropriately assessing and remitting the tax.

UPDATES:

Future updates to this PPM are the responsibility of the Director of OFMB.

AUTHORITY:

- F.S. 166.231, 166.233, and 166.234, as may be amended.
- Palm Beach County Code (Code), Chapter 17, Article VI, as may be amended.

BACKGROUND:

Palm Beach County has imposed a Public Service Tax in the unincorporated areas of Palm Beach County pursuant to F.S. 166.231. Chapter 17, Article VI of the Palm Beach County Code defines the tax to be imposed under the statute, and the County has established procedures to ensure that all taxes are being collected.

POLICY:

Four County organizations will be responsible for ensuring compliance with the Public Service Tax as outlined in the Code. These organizations and their primary responsibilities are as follows:

1. The Clerk & Comptroller's Revenue Section of Finance (Revenue Section) will be responsible for:
 - a. Identification of, contact with, and monitoring of remittances from vendors subject to the Public Service Tax.
 - b. New Vendor letters: If the vendor has not responded after 60 days from date of first letter, the Revenue Section will notify the Collections Coordinator of OFMB.
 - c. Missing Payments letters: If the vendor has not responded after 30 days from the due date, the Revenue Section will notify the Collections Coordinator of OFMB.
 - d. Initiation of the interest and penalty assessment process.
 - e. Computation of interest or penalty amounts, vendor notification of amounts due, and receipt and recording of remitted funds.
 - f. Providing an updated Master Listing of Providers, to the Collections Section of OFMB on a semi-annual basis, in January and July.

2. OFMB will be responsible for:
 - a. Review of Public Service Tax collections as compared to budget projections (Budget Division).
 - b. Collection of delinquent interest or penalty payments, and settlement or compromise of any interest or penalty amounts (Collections Section).
 - c. Issuing the notice of non-compliance to vendors identified by the Revenue Section as delinquent or non-responsive (Collections Section).
 - d. The determination of vendors to be audited (Collections Section).
 - e. Collection of taxes and interest resulting from an audit pursuant to Section 17-226 of the Code (Collections Section).
 - f. The recommendation of actions to take in penalty situations (OFMB Administration).

3. The County Attorney's Office will be responsible for coordination of the Hearing Officer review process for penalty assessments and assisting OFMB with the collection process in accordance with F.S. 166.231–166.234.

4. Planning, Zoning, and Building (PZ&B) will be responsible for the provision of listings of street addresses within the unincorporated area of the County to concerned parties as requested.

PROCEDURES:

The following steps are required to ensure that the Public Service Tax is being appropriately assessed and remitted.

1. Vendor Identification

- a. As required by the Code, there are two distinct groups of enterprises who must assess and remit the Public Service Tax. Under the category of Electricity, FP&L and Lake Worth Utilities are the only suppliers to the unincorporated area of the County. The other group of vendors that need to be identified are sellers of metered or bottled

(natural, liquefied, petroleum gas or manufactured) propane gas, natural gas and forklift gas.

- b. The Revenue Section maintains an up-to-date list of providers. In order to identify new vendors providing services to Palm Beach County, this master list must be updated by the following procedures:
 1. Semi-annually, in January and July, the Revenue Section will obtain from the County Tax Collector the business tax receipt list for the selected classifications covering propane, natural and forklift gas providers. By comparing the list to the master list, any new suppliers who have obtained a license to operate in Palm Beach County can be identified and added to the list.
 2. Annually, www.yellowpages.com shall be reviewed for listings under Propane Gas suppliers. By comparing the listings, new vendors can be identified who may have changed their name or place of doing business, and these new vendors can be added to the list.
- c. The Revenue Section shall provide an updated master list of providers, which shall contain the vendors' names, addresses, phone numbers, electronic mail addresses, and whether vendor is point of sale or delivery, to OFMB on a semi-annual basis, and as requested.

2. Vendor Contact

- a. All new suppliers identified above will be sent a letter from the Revenue Section, along with a copy of Chapter 17, Article VI of the Code, advising them that they must comply with the Code or send the County an affidavit stating that their particular business activity does not fall under the requirements of the Code.
- b. A file list will be kept by the Revenue Section of all returned mail and the reason for non-delivery. A second file list should be kept for each supplier returning an affidavit.
- c. Each time a letter is to be sent to newly identified vendors, the return mail and affidavit list should be checked to ensure the vendor has not previously been contacted.
- d. According to Section 17-226 of the Code, any person may request a listing of street addresses within the County, in accordance with F.S. 166.233(3). The County shall be entitled to collect a fee for supplying this list, not to exceed the actual cost of duplicating the information. The list will be supplied by PZ&B with an effective date and the revenue received will be deposited in the appropriate account to defray the cost of producing the list.

The database used to produce these listings shall be designed in accordance with Countywide PPM CW-O-047, titled "Standards for Address Records in Electronic Databases."

3. Monthly Review

- a. Each month the Revenue Section will update the master list by adding vendor collections for the current month, including the date the collection was received. The updated list will be reviewed monthly to monitor timeliness of remittances from vendors. Section 17-225(a) of the Code requires that remittances of taxes collected during the preceding month be received on or before the 15th of the following month for electricity or metered or bottled gas.
- b. If the Revenue Section does not receive a vendor's monthly remittance on or before the 15th of the month, a late notice will be sent to the vendor reminding them a remittance is due.
- c. If the payment of taxes owed is received after the 15th of month, the vendor will receive a secondary notice detailing accrued interest in excess of \$5.00 (calculated in accordance with Section 17-225(d) of the Code).
- d. The Budget Division of OFMB will periodically conduct a review of the monthly and year-to-date collections to make a determination if the budgeted amounts are being realized.

4. Collection Verification and Audit Review

- a. The monthly remittance reports sent by vendors will be checked for accuracy by the Revenue Section to determine that the calculations of the tax remitted is correct based on the monthly sales volume reported. Any discrepancies should be noted and communicated to the vendor and OFMB.
- b. As provided for in Section 17-226 of the Code, the County has the right to conduct audits on vendors to ensure compliance with the Code. A notice of intent to audit by the County shall be given to the vendor in accordance with F.S. 166.234. The Collections Coordinator will be responsible for following up on the audit process and all audit findings.

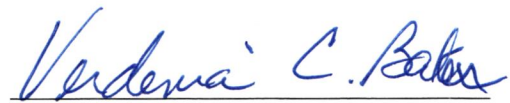
5. Interest and Penalty Assessment

- a. As provided in Section 17-225 of the Code, interest and penalties may be assessed for failure to pay any tax when due or to file any required return, except that no penalty shall be assessed absent willful neglect, willful negligence, or fraud. The Revenue Section will initially determine whether or not a legitimate reason exists for a delay, cessation or reduction in remittances by a vendor, and, if necessary, initiate the interest and penalty assessment process as required by Section 17-225 of the Code.

- b. Section 17-225(d) of the Code provides that interest shall be assessed for failure to pay any tax when due or to file any required return, from the date the tax was due until paid. The Revenue Section will compute the interest as specified in Section 17-225(d) of the Code and notify the vendor as prescribed in Section III of this PPM. If after 30 days from the due date, interest or any amount due has not been remitted, the Revenue Section will notify the Collections Coordinator of OFMB in writing of the delinquency.
- c. Section 17-225(e) of the Code provides that penalties shall be assessed upon a determination by a hearing officer appointed by the Board of County Commissioners that willful neglect, willful negligence or fraud was present regarding the failure to pay any tax due or to file any required return.

Should the Revenue Section have reason to believe that a penalty situation, as defined by Section 17-225 of the Code, is involved, the following actions will occur:

1. The Revenue Section will notify OFMB of the potential penalty situation.
 2. OFMB will evaluate the situation and, if warranted, make a recommendation to the County Attorney's Office to proceed with the appointment of a Hearing Officer.
 3. The County Attorney's Office will initiate and coordinate the Hearing Officer review process.
- d. The Collections Section of OFMB will take appropriate actions as provided by F.S. 166.234 to ensure the collection of delinquent interest or penalty payments. The Revenue Section will compute the interest or penalty amounts as specified in Section 17-225 of the Code as needed. The settlement of interest and penalties are subject to compromise as provided by F.S. 166.234(14).


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Supersession History:

1. PPM# CW-F-035, effective 9/12/91
2. PPM# CW-F-035, effective 9/1/99
3. PPM# CW-F-035, effective 3/24/03
4. PPM# CW-F-035, effective 2/1/06
5. PPM# CW-F-035, effective 5/13/11
6. PPM# CW-F-035, effective 6/19/12
7. PPM# CW-F-035, effective 7/17/17