

## **SECTION V--TAX COLLECTION AND APPORTIONMENT PROCEDURES**

### **TAX COLLECTION AND APPORTIONMENT PROCEDURES**

Tax payments received by the county treasurer are evidenced by the issuance of a duplicate tax receipt. The duplicate copy is recorded in the tax receipts journal. A separate tax receipt is issued for each year's taxes and for each taxing district.

The term "taxing district," as used in the apportionment procedure, is not a legal subdivision of the county. A taxing district represents an area of the county where the total tax levies of the overlapping taxing entities (e.g., county, city and school) produce a levy different from other parts of the county. Each taxing district, for apportionment purposes, may have one or more overlapping entities. Each tax receipt is then posted to the tax lists showing the date paid, the receipt number and the amount paid. Each receipt is also recorded in the tax receipts journal in numerical order. At the end of each month the tax receipts journal is recapped by taxing district, by year. The monthly totals for each taxing district are apportioned to the various taxing entities by a predetermined apportionment factor (e.g., percentage of taxing district levy) and are recorded in the tax apportionment record by entity, by fund and by year.

The total amount collected for each taxing entity is recorded on the tax account record to reduce the amount that is to be received by each fund of each entity. Also, the total amount apportioned to each entity in the tax apportionment record is posted to the appropriate county funds and other taxing entity's general ledger accounts.

#### **Tax Receipts Journal**

The tax receipts journal is a special journal utilized by the county to record tax receipts which must be apportioned to the various taxing entities based on their prorata share of the consolidated mill levy (e.g., property tax receipts and mobile home tax receipts).

Each tax receipt is spread upon the tax receipts journal to the various columns, which include:

1. date
2. receipt number
3. taxing district
4. amount of tax collected
5. interest and penalty collected
6. sheriff fees
7. advertising fees
8. total receipts

Sheriff fees and advertising fees should not be apportioned to the taxing entity as the fees are county general fund revenue. If a separate receipt is issued for these fees, instead of including them on the tax receipt, they should be recorded in the miscellaneous cash receipts journal rather than including them in the tax receipts journal.

The receipts collected and recorded in the tax receipts journal are summarized by taxing district, apportioned and are recorded in the tax apportionment record by taxing entity, by fund.

A separate tax receipts journal is maintained for each year's tax collections.

**A sample tax receipts journal is shown as Illustration No. 1.**

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### Tax Apportionment Record

The tax apportionment record is a record in which the tax levies are apportioned to the various taxing entities. This apportionment is based on the total mill levy for that taxing district. Each taxing district may contain any number of taxing entities.

Example: Total Tax Levy for District

Taxing District	Total County	City		School			Total Mills
		General	Debt Service	General	Capital Outlay	Special Education	
James City 13/22NA	14.58	38.65	15.18	36.64	5.00	2.00	112.05

The tax receipt for taxpayer is as follows:

District	Taxable Value	Total Tax Levy	Tax Due
13/22/NA	\$ 5,602.00	112.05	\$ 627.70

Apportionment of this receipt is accomplished as follows:

	Tax Levy \$'s/1,000	Total Tax Levy	% of Total Tax Levy	Receipt Collection	Apportion- ment
County - Funds	14.58	- 112.05	= .130121 x	\$ 627.70	= \$ 81.68*
City - General Fund	38.65	- 112.05	= .344936 x	627.70	= 216.52*
Debt Service Fund	15.18	- 112.05	= .135476 x	627.70	= 85.04*
School - General Fund	36.64	- 112.05	= .326997 x	627.70	= 205.26*
Capital Outlay Fund	5.00	- 112.05	= .044623 x	627.70	= 28.00*
Special Education Fund	2.00	- 112.05	= .017850 x	627.70	= 11.20*
	112.05				\$627.70

\* Post these individual amounts to the appropriate entity by fund in the tax apportionment record.

**A sample tax apportionment record is shown as Illustration No. 2.**

**Sample Transmittal forms of taxes to schools, municipalities and townships are shown as Illustrations No. 5, 6, and 7 respectively.**

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### **Tax Account Record**

Immediately after the delivery of the tax list to the county treasurer, the auditor shall charge him with the amount of taxes to be collected as shown on the recapitulation and shall also charge such treasurer with all additional tax assessments made after delivery of the tax lists. The purpose of the tax account record is to show the amount of uncollected taxes for each year at the close of each month. It therefore must be accurately and currently maintained. Verification of the amount of uncollected taxes can be made by the auditor by adding the open items on the tax lists at the close of any month and comparing same with the amounts of uncollected taxes shown in the tax list account record.

The tax account record should be opened with the several amounts shown in the tax list recapitulation as the opening entry. The subsequent entries are to be made from the monthly tax collections, not including interest and penalties added to the original tax. Care must be exercised to be sure interest and penalties collected are eliminated before collections are entered as deductions from the uncollected balance. Further entries in this record are required for any taxes, such as mobile homes, added subsequent to preparation of the tax list and recapitulation. These must be added to the tax list account. Likewise, any abatement of taxes must be deducted from the uncollected balance of the tax account record. In other words, any changes made on the tax list must also be made on the tax list account record. Failure to record such changes accurately will result in a discrepancy between the tax list and the tax account record.

**A sample tax account record is shown as Illustration No. 3.**

**A sample format to notify taxing district of added and abated taxes is shown as Illustration No. 8.**

### **Property Tax List**

As soon as practicable after the taxes are levied, the county auditor shall prepare a tax list for each assessment district, in such form as the Auditor General may prescribe, containing: (SDCL 10-17-1)

1. A list in alphabetical order of all persons or corporations in whose name property other than real property has been listed, with valuations thereof.
2. A list of taxable lands in the district, not including city and town lots, with valuations thereof.
3. A list of city and town lots in each city or town in or composing such district, with valuations thereof.

The auditor shall, on or before the first day of January showing the date of levy for the current year, deliver the tax list to the county treasurer. The auditor shall attach to each tax list his warrant under his hand and seal, requiring the county treasurer to collect the taxes therein levied according to law. (SDCL 10-17-6; 10-17-7; 10-17-8)

The auditor shall charge the treasurer with the amount of the lists delivered to him in a book prepared for that purpose. The auditor shall also charge the treasurer in the tax list account with all additional assessments made after the tax lists are delivered and shall credit the treasurer with

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all collections and such other amounts as may be lawfully deducted from such lists. The auditor shall reconcile the unpaid taxes shown in the treasurer's tax lists that are no more than six years old to the unpaid balance of taxes in the tax list account each December 31 or within 30 days thereafter. (SDCL 10-17-9)

**A sample property tax list is shown as Illustration No. 4.**