- The amount of local aid received from the state in that fiscal year, and
- The date the tax roll was delivered to the collecting officer.

While the collecting officer must provide a receipt upon request from the payor, the collecting officer is authorized to provide receipts even if not requested by the payor. The county must provide the town with the receipts at the expense of the county unless the town and county have agreed otherwise. However, the cost of mailing the receipts is a charge against the collecting entity – not the county. The town cannot require a taxpayer to enclose a self-addressed, stamped envelope in order to obtain a receipt (see Real Property Tax Law § 986 [2]). The collecting officer must keep a copy of all receipts, which are subject to public inspection and filed with the county upon making the return. Practically speaking, the collecting officer should be sure to enter the date of payment and receipt number on the appropriate line of the tax roll for each tax received.

The town board may require the use of a mechanical receipting device, containing lock-in records of receipts. In such case, the locked-in records of receipts must be removed daily from the device by the collecting officer or by a designated subordinate authorized to do so by the collecting officer in writing. Once removed, they must be kept in consecutive and chronological order and securely fastened in a book or bound volume. If the town board requires the use of such receipting devices and records, it must be provided at town expense. Once such system is installed and until such action is rescinded by the town board, the collecting officer must use this device while providing receipts for taxes paid (see Real Property Tax Law § 986).

Tax Receipts and MIIs

If a taxpayer escrows their taxes, the collecting officer must mail or transmit electronically a receipt to the taxpayer within three weeks from when the MII paid the bill (see Real Property Tax Law § 955 [3]). If taxes are paid by an MII through escrow, the receipt must be in the form of the tax bill with the word "Paid" (or an equivalent word or words) and the date of the payment clearly displayed on the bill. The collecting officer may also place his or her name, title and signature (or initials) of the collecting officer or the authorized subordinate who received the payment on the receipt. Note that this is a different receipt from taxpayers that do not escrow their taxes. If a taxpayer escrows their taxes, the bill is mailed to and paid by the MII. A receipt in the form of the tax bill marked "paid" essentially provides the taxpayer with a copy of their bill.

Interest Charges

Real Property Tax Law § 924-a sets forth the interest rate on taxes that are paid after the interest-free period expires. The commissioner of the Department of Taxation and Finance must set the yearly interest rate, which governs all taxes levied on or after the next September 1, by July 15. The statutory rate may not be less than 12 percent per year. The interest rate for each month is 1 percent or 1/12th of the rate determined by the commissioner, whichever is higher. Practically speaking, this means that the minimum interest rate to be charged is 1 percent, which increases as each month passes without payment. The state is required to notify impacted municipalities whenever the interest rate changes.

Accordingly, if the commissioner set the interest rate at 8 percent, the interest on delinquent taxes would be 1 percent for each month, and if the rate is set at

10 percent, the same percentages would apply; however, if the commissioner determines the rate to be 13 percent (or anything higher than 12 percent), the interest rate on delinquent taxes would be 1 and 1/12th percent of 13 for each month or part thereof.

Interest Rate *(Set by Commissioner)*	1% or 1/12 of Interest Rate – Whichever is Higher	Penalty to Impose in February	Penalty to Impose in March	Penalty to Impose in April
8%	1%	1%	2%	3%
10%	1%	1%	2%	3%
13%	1.08%	1.08%	2.17%	3.25%

This interest rate structure does not necessarily apply to those counties that have a special tax act. Counties with a special tax act (Erie, Monroe, Nassau, Suffolk, Westchester, etc.) are governed by the interest rates set forth in their special tax act.

Additionally, when making the return to the county treasurer, the collecting officer must add 5 percent interest, which is then deemed to be part of the tax (see Real Property Tax Law § 936).

No Authority to Waive Interest Charges

All interest collected by the collecting officer belongs to the town (see Real Property Tax Law § 924 [3]). The law provides that for any taxes collected after the interest-free period expires, there shall be added interest to the payment. "Shall" operates as a directive – the collecting officer must impose interest on all tax payments received after the interest-free period expires. The collecting officer and the town board do not have any authority to waive the statutorily required interest charges. So, even if the taxpayer did not receive a bill, as Real Property Tax Law § 922 (3) provides, the taxpayer is still responsible for the payment of taxes. Additionally, the Comptroller's Office has opined that "no town employee or official can waive the penalty" (see 1968 Ops St Comp No. 68-626). In the event that the last day to pay penalty-free falls on a Saturday, Sunday or public holiday, collection is automatically extended by law to the next business day. The collecting officer is not waiving interest charges in this scenario; instead, the law allows for the extension.

It should be noted that there are a few limited exceptions where interest charges may be waived or the penalty-free period extended. Real Property Tax Law § 924-b allows for the waiver of interest charges on brownfield properties. Additionally, as previously discussed, Real Property Tax Law § 925-a (2) provides for a 21-day extension by executive order during a state of emergency, while localities have the ability to opt-in to provide extensions for certain people age 65 or older, people deployed by the military and people furloughed by the federal government (see Real Property Tax Law §§ 925-b, 925-d and 925-e).

Postmarks and the Penalty-Free Period

Real Property Tax Law § 925 provides that any mailed tax payment received with a postmark dated within the penalty-free period is a timely payment – even if the collecting officer physically receives the payment after the interest-free periods expires. To qualify as a timely postmarked payment, the payment must be:

- Contained within a post-paid wrapper (envelope) with a legible postmark –

the collecting officer must be able to ascertain the date of the postmark;
- Properly addressed to the appropriate collecting officer; and
- Deposited in a post office or official depository under the exclusive care and custody of the United States Postal Service (USPS).

If a tax payment meets the above parameters and the postmark is dated within the interest-free period, it is deemed a timely payment no matter when it is received by the collecting officer. If the last day to pay penalty-free falls on a Saturday, Sunday or public holiday, the interest-free period is extended to the next business day, and accordingly, all payments received that are postmarked by that next business day are considered timely payments.

If the postmark used is a fluorescent time-date stamp or barcode, it is deemed a timely postmark if the collecting officer can ascertain the date of the postmark, whether by visual inspection or by use of a device that can decipher the barcode. If the collecting officer cannot reasonably determine the date, the payment is made upon receipt.

A Postage Verification Imprinter (PVI) is a label that is affixed to an envelope by the USPS. The PVI label has a variety of information printed on it, including the date on which the envelope was taken into custody by the USPS. If the collecting officer receives a tax payment with an envelope containing a PVI, it must be treated as a timely payment if the date listed on the label is within the interest-free period.

Postmarks and Electronic Transactions

If a taxpayer pays their taxes electronically directly to the town, the postmark rule does not apply, and the bill is deemed paid upon completion of the internet transaction (see General Municipal Law § 5-b). However, if the taxpayer initiates a payment electronically through their bank and the bank subsequently mails the tax payment to the collecting officer, the payment is subject to the postmark rule. If the bank mailed the tax payment via privately metered mail, the payment is paid upon receipt – even if the taxpayer initiated the transaction with the bank well before the interest-free period expired. If the bank mails the tax payment with a proper postmark, the payment is deemed made as of the date on the postmark.

Invalid Postmarks

If the postmark is illegible or does not appear on the envelope, it is not a proper postmark, and any payments received in these instances are deemed paid upon the date received by the collecting officer, not the date of the postmark. Additionally, the postmark rule does not apply to foreign postmarks. Only United States postmarks are valid postmarks under the law; if the collecting officer receives a payment after the interest-free period has expired with a Canadian postmark that is dated within the interest-free period, the payment is not timely, as the envelope does not bear a United States postmark.

Additionally, privately metered mail does not constitute a United States postmark. Any payments received by privately metered mail are considered paid upon receipt by the collecting officer.

Type of Postmark	Valid Postmark?
United States Postmark	Yes
Fluorescent Time Date Stamp	Dependent on the readability of date by collector. If readable, it is a timely postmark. If not, it is paid upon receipt.
Privately Metered Mail	No, taxes are paid upon receipt.
Electronic Transaction Initiated by Taxpayer and Mailed by Bank Using Privately Metered Mail	No, even if the taxpayer initiated during the interest-free period. The bank payment mailed by the bank is subject to the postmark rule.
Foreign Postmark	No, taxes are paid upon receipt.

Postmarks and Designated Delivery Services

In addition to tax payments received via the USPS, Real Property Tax Law § 925 provides that payments delivered by a private delivery service designated by the United States secretary of the treasury are subject to the postmark rule and deemed paid on the date marked on the cover when the payment was provided to the designated delivery service for delivery. As of 2019, the designated delivery services include:

- **DHL**: DHL Express 9:00, DHL Express 10:30, DHL Express 12:00, DHL Express Worldwide, DHL Express Envelop, DHL Import Express 10:30, DHL Import Express 12:00, DHL Import Express Worldwide;
- **FedEx**: FedEx First Overnight, FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Next Flight Out, FedEx International Priority, FedEx International First, FedEx International Economy; and
- **UPS**: UPS Next Day Air Early AM, UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, UPS Worldwide Express.

If the collecting officer receives a tax payment from the aforementioned carrier with the cover indicating a date within the interest-free period, the taxes are deemed timely paid.

Mediums of Payment

- Payments in Cash or Coin

Real Property Tax Law § 924 (1) provides that "the collecting officer shall receive taxes at the times and places set forth in the notice of receipt of the tax roll and warrant and at any other time or place during usual business hours during the period of collection." There is no directive in the law that requires taxes to be paid in a certain manner; indeed, a collecting officer must accept any form of payment that constitutes legal tender. Federal law sets forth that United States coins and currency are legal tender for, among other things, the payment of taxes (see 31 USC § 5103). Accordingly, a collecting officer is required to accept tax payments that are made in cash or coin – a town (or any collecting entity) cannot prohibit cash or coin