



ARSSTC Collections Policy

Lead-up to Collections action

- Assessment is finalized w/o protest or underpayment is established.
- Send email notification to user on account, requesting payment in full as soon as possible.
- If seller does not submit payment in 30 days, send certified letter to address on record, demanding payment within 30 days.
- If payment is not received by the deadline, collections action should be taken.

Alaska-Based Remote Seller Approaches

- Step 1 – Request legal demand letter to seller from LBB.
- Step 2 – If no response, AMSTP staff file lien in seller’s jurisdiction.
- Step 3 – After filing of lien, pursue filing of small claims judgment if balance is under \$5k (small claims limit is \$10k).
- Step 4 – If balance is over \$5k, engage with LBB to pursue default judgment or confession of judgment.

Non-AK Remote Seller approaches

- Step 1 – Do they have property in AK? Recorder’s office search or other address search.
- Step 2 – If no on Step 1, determine which state the business is located in.
- Step 3 – Request legal demand letter to seller from LBB.
- Step 4 – If no response, balances under \$5k be sent to 3rd party collection agency.
- Step 5 – balances over \$5k would be pursued via obtaining judgment in AK, then domesticating judgment in the seller’s home state.

Usage of 3rd Party Collection Agency

The Uniform code specifies that collection costs, including collection agency fees are to be passed on to the business owing the balance. As a result, neither ARSSTC member jurisdictions nor the ARSSTC itself will experience revenue shrinkage with the use of a collection agency.

AML is currently pursuing RFPs from collection agencies that can take collection action on a national level, regardless of where business is located.