



## 1997 SENATE BILL 219

May 27, 1997 - Introduced by Senator CLAUSING, cosponsored by Representatives MUSSER, POWERS, BOCK, PLOUFF and NOTESTEIN. Referred to Committee on Economic Development, Housing and Government Operations.

- 1     **AN ACT to amend** 49.855 (3) and 71.93 (3) of the statutes; **relating to:** priority  
2           of support-related obligations as tax setoffs.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a state agency may certify to the department of revenue (DOR) a debt that is owed to the agency that has been reduced to a judgment. In addition, the department of industry, labor and job development (DILJD) may certify to DOR delinquent child support, maintenance and other support-related obligations. If a person who owes a certified debt or delinquent support-related obligation is entitled to a tax refund, DOR may set off against the refund the amounts owed. After setting off any amount that the person owes to DOR, DOR sets off any other certified debts owed by the person in the order in which the debts were certified. This bill specifies that any amount certified by DILJD for delinquent child support, maintenance or other support-related obligations must be set off against a tax refund before any debt owed to a state agency, except for a debt owed to DOR, is set off against the refund. Thereafter, certified debts owed to state agencies are to be set off in the order in which they were certified.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SENATE BILL 219****SECTION 1**

1           **SECTION 1.** 49.855 (3) of the statutes is amended to read:

2           49.855 (3) Receipt of a certification by the department of revenue shall  
3 constitute a lien, equal to the amount certified, on any state tax refunds or credits  
4 owed to the obligor. The lien shall be foreclosed by the department of revenue as a  
5 setoff under s. 71.93 (3), (6) and (7), except that any certification received by the  
6 department of industry, labor and job development under sub. (1) shall be set off  
7 before any other amount is set off under s. 71.93, except for a debt or other amount  
8 owed to the department of revenue. When the department of revenue determines  
9 that the obligor is otherwise entitled to a state tax refund or credit, it shall notify the  
10 obligor that the state intends to reduce any state tax refund or credit due the obligor  
11 by the amount the obligor is delinquent under the support or maintenance order, by  
12 the outstanding amount for past support, medical expenses or birth expenses under  
13 the court order or by the amount due under s. 46.10 (4). The notice shall provide that  
14 within 20 days the obligor may request a hearing before the circuit court rendering  
15 the order. Within 10 days after receiving a request for hearing under this subsection,  
16 the court shall set the matter for hearing. Pending further order by the court or  
17 family court commissioner, the clerk of circuit court or county support collection  
18 designee under s. ~~59.07-(97m)~~ 59.53 (5m) is prohibited from disbursing the obligor's  
19 state tax refund or credit. The family court commissioner may conduct the hearing.  
20 The sole issues at that hearing shall be whether the obligor owes the amount certified  
21 and, if not and it is a support or maintenance order, whether the money withheld  
22 from a tax refund or credit shall be paid to the obligor or held for future support or  
23 maintenance. An obligor may, within 20 days of receiving notice that the amount  
24 certified shall be withheld from his or her federal tax refund or credit, request a  
25 hearing under this subsection.

