



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

January 29, 2008

## MEMORANDUM

**To:** Senator Jauch

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2007 SB 373** (LRB-2420/1) **by DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

January 22, 2008

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Rebecca Boldt  
Department of Revenue

**SUBJECT:** Technical Memorandum on Senate Bill 373: Setoffs Against Tax Refunds for Debts Related to Providing Ambulance Services

The Department has the following concerns related to the bill:

The statute places the refund setoff for privately owned ambulance services before the refund setoffs for the IRS, Federally recognized tribes located in Wisconsin, and other states. The setoff for a private company should be placed after all other government entities.

The definition of "debt" in sec. 71.936(1)(b) should be expanded to include a minimum debt amount of \$20. For example, it could be written as: *"Debt" means an amount of at least \$20 incurred by an individual for transporting that individual to or from a facility or institution that provides health services.*

The statute indicates the fee to administer the program should be charged to the debtor. This will, in effect create a situation where the DOR becomes a collection agency for a private company, and provides costly services for free to the private company. The DOR anticipates that other private companies, such as cable companies, utilities, etc., will insist the statutes be expanded so they are also allowed to submit their debt to the DOR for refund setoff.

Sec. 71.936(2) lacks the due process protections provided in sec. 71.93(2) and 71.935(1)(a). The proposed legislation does not require the debt be reduced to a judgment or that the debtor has received reasonable notice and the opportunity to be heard with respect to the debt. Thus, the debtor is afforded less protection under this proposal than he is afforded with governmental debts. The DOR recommends a change in wording to: *"At least 30 days prior to certification each debtor shall be sent a notice by the ambulance service provider of its intent to certify the debt to the department for setoff and of the debtor's right to appeal."* Advanced notice gives the debtor the opportunity to resolve the debt prior to involving DOR.

The proposed legislation does not include language found in sec. 71.93(6) which provides that the Secretary of Revenue is the final authority in the resolution of interagency disputes, and also

does not include language indicating the service provider must enter into a written agreement with the DOR.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or [bradley.caruth@revenue.wi.gov](mailto:bradley.caruth@revenue.wi.gov).

cc: Senator Jauch