



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

October 25, 2013

MEMORANDUM

To: Senator Vukmir

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

Subject: Technical Memorandum to **2013 SB 361** (LRB-3425/1) by **DOR**

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

October 23, 2013

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Mike Wagner
Department of Revenue

SUBJECT: Technical Memorandum on Senate Bill 361: Relating to the Refund Setoff for State Debt Collections

The Department has the following concerns related to the bill:

The bill creates a conflict with the definition of "refund" in sec. 71.93(1)(d). Currently, a refund is defined as the excess amount after set off to the debtor's Wisconsin tax liability or any other liability owed to the department. In order to address the issue 71.93(d) could be modified as follows:

71.93(1)(d) "Refund means the excess amount by which any payments, refundable credits, or both exceed a debtor's ~~Wisconsin tax liability or any other liability owed to the department~~ Wisconsin child support obligation under s. 49.855(1).

Sec. 71.93(3)(a)(intro.) does not exclude set off of child support debt owed to a resident of a state other than Wisconsin. The effect is to pay child support debt owed to a non-resident before paying debts owed to Wisconsin state agencies and local governments. In order to address the issue 71.93(3)(a)(intro.) could be modified as the bolded text indicates:

71.93(3)(a)(intro.) The department of revenue shall setoff any debt ~~or other amount owed to the department, regardless of the origin of the debt or of the amount, its nature or its date~~ under s. 49.855(1), certified by the department of children and families under sub. (2), **excluding child support or spousal support obligations submitted by an agency of another state.** If after the setoff there remains a refund in excess of \$10, the department shall set off the remaining refund against certified debts of other entities in the following order:

It is not possible to complete the extensive programming and testing needed to implement the bill changes by January 1, 2014. The Department of Revenue will need a minimum of 9 months to program, test, and implement the changes.

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

cc: Senator Vukmir