

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100007	State Debt Collection Initiative

State of Wisconsin
Department of Revenue

State Debt Collection Initiative

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1) Wis. Stats.

The 2009 Wisconsin Act 28 authorizes the State Debt Collection (SDC) program. This act allows state agencies to partner with the Department of Revenue (DOR) in collection of debt to enhance current collections operations. DOR has worked very hard to improve efficiencies through both expanded legislative authority and new technology. We will share these efficiencies with other state agencies, the legislature, courts authorities, and local governments.

Legislative Reference

The reference for the State Debt Collection program is located within sec. 71.93, Wis. Stats., which defines refund setoffs for other state agencies. Expansion of this section allows state agencies, the legislature, courts authorities, and local governments to utilize collection tools beyond refund offsets. Included among DOR collection tools are the ability to enter into electronic repayment agreements, attach a debtor's wages or levy a debtor's bank account to secure repayment.

Statutory Requirement

The statute requires all state agencies to enter into an agreement with DOR no later than June 30, 2010. The courts, the legislature, certain authorities, and local units of government may enter into agreements.

Debt Referral


A debt means any amount owed to a government agency where the debt has been reduced to a judgment or the debtor has been notified and has been given an opportunity to be heard with regard to the amount owed. The debt must be more than 90 days past due and must not be subject to an open legal action or administrative proceeding.

Debts will not be submitted to DOR for collection if the debtor enters into a repayment agreement with the agency or is in active negotiations to resolve the debt.

Debtor Notice

At least 30 days prior to referral, the debtor must be notified in writing that the debt will be referred to DOR for collection. A [warning letter](#) with language of DOR possible collection actions is a powerful tool to encourage debtors to pay prior to referral to DOR.

DOR Collection Authorities

DOR may use the same  [collection authorities](#) to collect state debt as used to collect delinquent taxes.

DOR and Agency Interaction

Through file transfers, DOR and agencies communicate details about the referred debts. The process of referring a debt involves establishing a debtor match, adding a debt to our collection system, allowing for adjustments, recalls, and returns, and communicating collection results. DOR uses a combination of social security number or federal employer identification number and name as the match keys. The file contains elements of information to both set up a record and assist the collection agents answering basic debt questions. File transfers include:

- New debt/Debt update file – Debtor and debt details needed to establish a collection case and adjust debt balances
- Response file – Answer to the new debt file to communicate accepted debts and rejected debts
- Return file – Allows DOR to return a debt to the agency if it is determined to be uncollectible
- DOR transaction file – Detail file reporting collections for the agency from the 1st to the End of Month for the previous month. This file should reconcile to the monthly payment remitted to the agency.

Applicable Laws and Rules

This document provides statements or interpretations of the following provisions of Wisconsin Statutes in effect as of July 31, 2019: Section 71.93, Wis. Stats.

Laws enacted and in effect after July 31, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to July 31, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

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Guidance Document Certification: <https://www.revenue.wi.gov/Pages/Certification-Statement.aspx>

Guidance Document Number: 100007

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Links

- [Log on to My Tax Account - SDC](#)
- [Debt Balance Lookup](#)
- [Delinquent Debtor Resource Page](#)
- [My Tax Account User Guide- State Debt Collection](#)
- [State Debt Collection User Guide](#)
- [SDC XML File Specifications](#)

To enroll submit:

- [SDC Agreement](#)
- Authorization for Direct Deposit – To obtain this form, please contact Agency Collections at trip@wisconsin.gov or (608) 264-0344

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