



COMMONWEALTH of VIRGINIA

Department of Taxation

October 1, 2013

TO: The Honorable Robert F. McDonnell
Governor of Virginia

THROUGH: The Honorable Richard D. Brown
Secretary of Finance

FROM: Craig M. Burns
Tax Commissioner

A handwritten signature in black ink, appearing to read "Craig M. Burns", written over the printed name and title.

SUBJECT: Setoff Debt Collection Program Costs

Pursuant to §58.1-531 of the *Code of Virginia*, I am reporting the administrative cost of the Setoff Debt Collection Program for fiscal year 2013. The Setoff Debt Collection Program allows state and local government agencies to offset certain debts against individual tax refunds and lottery prize winnings.

During fiscal year 2013, 306,687 individual claims totaling \$56,572,235 were paid at an estimated cost of \$304,569. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$1.00. The average claim was \$184.46.

The Setoff Debt Collection program continues to be a cost effective and efficient means of collecting delinquent state and local revenues. Please contact me if additional information is required or desired.

Attachment

c: The Honorable Harry R. Purkey
Chairman, House Finance Committee

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee

The Honorable Walter A. Stosch
Chairman, Senate Finance Committee

FY13

Debt Setoff - Administrative Costs Detail

Individual

I. Labor Costs

Salaries & Wages - Set-Off	\$	59,800
Computer Operations	\$	698
Systems Administration - Labor	\$	10,666
IT Security-Labor	\$	83,272
Accounting	\$	27,476
FICA	\$	2,102
Benefits	\$	8,792
Subtotal - Labor	\$	192,806

II Telephone Costs

Telephone	\$	100
Subtotal-Telephone	\$	100

III. Equipment Costs

Maintenance	\$	111,663
Subtotal - Equipment Costs	\$	111,663

Total All Costs

\$ 304,569

IV. Program Results

Total Individual Funds Finalized & Paid	\$	55,845,785
Total Individual Claims Finalized & Paid		304,474
Individual Lottery Funds Finalized & Paid	\$	726,450
Individual Lottery Claims Finalized & Paid		2,213
Total Individual Debt Set-Off Funds Finalized & Paid	\$	56,572,235
Total Individual Debt Set-Off Claims Finalized & Paid		306,687