



COMMONWEALTH of VIRGINIA

Department of Taxation


October 1, 2020

TO: The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Janet D. Howell
Chairwoman, Senate Finance and Appropriations Committee

The Honorable Luke Torian
Chairman, House Appropriations Committee

The Honorable Vivian W. Watts
Chairwoman, House Finance Committee

FROM: Craig M. Burns
Tax Commissioner 

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 2020. 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 2020, 328,141 individual claims totaling \$65,715,611 were paid at an estimated cost of \$900,306. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$2.74. The average claim was \$200.

The Setoff Debt Collection Program continues to be an efficient means of collecting delinquent state and local revenues. Please contact me if there are questions or additional information is required.

C: The Honorable Aubrey L. Layne, Jr., Secretary of Finance

Attachment

FY 2020
Debt Setoff – Administration Costs Detail

I. Personnel Costs

Compliance	\$ 67,786
Delinquent Collection Unit Recertification	\$ 14,074
Mail Services and Customer Support	\$ 16,353
IT, Security, and Administration	\$ 199,238
Subtotal – Personnel Costs	\$ 229,665

II. System, Infrastructure and Telephone Costs

System and Infrastructure Costs	\$ 172,755
Telephone	\$ 1,472
Subtotal – System and Infrastructure Costs	\$ 174,227

III. Letter and Postage Costs

Letters	\$ 40,745
Postage	\$ 455,669
Subtotal – Postage Costs	\$ 496,414

Total All Costs **\$ 900,306**

IV. Program Results

Total Individual Funds Finalized & Paid	\$ 64,750,946
Total Individual Claims Finalized & Paid	325,705
Individual Lottery Funds Finalized & Paid	\$ 964,665
Individual Lottery Claims Finalized & Paid	2,436
Total Individual Debt Set-Off Funds Finalized & Paid	\$ 65,715,611
Total Individual Debt Set-Off Claims Finalized & Paid	328,141