



COMMONWEALTH of VIRGINIA

Department of Taxation


October 1, 2021

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 2021. 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 2021, 291,191 individual claims totaling \$53,836,800 were paid at an estimated cost of \$941,393. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$3.23. The average claim was \$ 185.

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

C: The Honorable K. Joseph Flores, Secretary of Finance

Attachment

FY 2021
Debt Setoff – Administration Costs Detail

I. Personnel Costs

Compliance	\$ 75,046
Delinquent Collection Unit Recertification	\$ 14,967
Mail Services and Customer Support	\$ 28,439
IT, Security, and Administration	\$ 209,199
Subtotal – Personnel Costs	\$ 327,651

II. System, Infrastructure and Telephone Costs

System and Infrastructure Costs	\$ 190,030
Telephone	\$ 1,472
Subtotal – System and Infrastructure Costs	\$ 191,502

III. Letter and Postage Costs

Letters	\$ 143,327
Postage	\$ 278,913
Subtotal – Postage Costs	\$ 422,241

Total All Costs	\$ 941,393
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IV. Program Results

Total Individual Funds Finalized & Paid	\$ 51,545,504
Total Individual Claims Finalized & Paid	283,908
Individual Lottery Funds Finalized & Paid	\$ 2,291,296
Individual Lottery Claims Finalized & Paid	7,283
Total Individual Debt Set-Off Funds Finalized & Paid	\$ 53,836,800
Total Individual Debt Set-Off Claims Finalized & Paid	291,191