



COMMONWEALTH of VIRGINIA

Department of Taxation

November 1, 2022

The Honorable Glenn Youngkin
Governor of Virginia

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

Delegate Barry D. Knight
Chairman, House Appropriations Committee

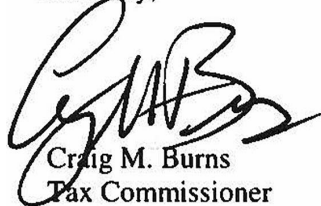
The Honorable Roxann L. Robinson
Chairwoman, House Finance Committee

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 2022. 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 2022, 279,583 individual claims totaling \$54,394,880.00 were paid at an estimated cost of \$898,025. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$3.21. The average claim was \$195.00.

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.

Sincerely,



Craig M. Burns
Tax Commissioner

C: The Honorable Stephen E. Cummings., Secretary of Finance

Attachment

FY 2022
Debt Setoff – Administration Costs Detail

I. Personnel Costs

Compliance	\$ 64,424
Office Collections Unit - Recertification	\$ 19,026
Mail Services and Customer Support	\$ 39,418
IT, Security, and Administration	\$ 219,659
Subtotal – Personnel Costs	\$ 342,527

II. System, Infrastructure and Telephone Costs

System and Infrastructure Costs	\$ 209,033
Telephone	\$ 1,472
Subtotal – System and Infrastructure Costs	\$ 210,505

III. Letter and Postage Costs

Letters	\$ 23,524
Postage	\$ 321,469
Subtotal – Postage Costs	\$ 344,993
Total All Costs	\$ 898,025

IV. Program Results

Total Individual Funds Finalized & Paid	\$ 51,844,454
Total Individual Claims Finalized & Paid	\$ 269,104
Individual Lottery Funds Finalized & Paid	\$ 2,550,426
Individual Lottery Claims Finalized & Paid	\$ 10,479
Total Individual Debt Set-Off Funds Finalized & Paid	\$ 54,394,880
Total Individual Debt Set-Off Claims Finalized & Paid	\$ 279,583