



# COMMONWEALTH of VIRGINIA

## Department of Taxation

October 1, 2023

TO: The Honorable Glenn Youngkin  
Governor of Virginia

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

The Honorable George L. Barker  
Co-Chairman, Senate Finance and Appropriations Committee

The Honorable Barry D. Knight  
Chairman, House Appropriations Committee

The Honorable Roxann L. Robinson  
Chairman, House Finance Committee

FROM:

Craig M. Burns  
Tax Commissioner

A handwritten signature in black ink, appearing to read "Craig M. Burns".

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 2023. 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 2023, 342,197 individual claims totaling \$87,501,595 were paid at an estimated cost of \$1,050,850. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$3.07. The average claim was \$256.

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 Stephen E Cummings, Secretary of Finance

Attachment

**FY 2023**  
**Debt Setoff – Administration Costs Detail**

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**I. Personnel Costs**

<b>Compliance</b>	<b>\$ 67,561</b>
<b>Delinquent Collection Unit Recertification</b>	<b>\$ 19,798</b>
<b>Mail Services and Customer Support</b>	<b>\$ 92,141</b>
<b>IT, Security, and Administration</b>	<b>\$ 230,642</b>
<b>Subtotal – Personnel Costs</b>	<b>\$ 410,142</b>

**II. System, Infrastructure and Telephone Costs**

<b>System and Infrastructure Costs</b>	<b>\$ 229,936</b>
<b>Telephone</b>	<b>\$ 1,472</b>
<b>Subtotal – System and Infrastructure Costs</b>	<b>\$ 231,408</b>

**III. Letter and Postage Costs**

<b>Letters</b>	<b>\$ 27,626</b>
<b>Postage</b>	<b>\$ 381,674</b>
<b>Subtotal – Postage Costs</b>	<b>\$ 409,300</b>

<b>Total All Costs</b>	<b>\$ 1,050,850</b>
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**IV. Program Results**

<b>Total Individual Funds Finalized &amp; Paid</b>	<b>\$ 84,247,847</b>
<b>Total Individual Claims Finalized &amp; Paid</b>	<b>328,423</b>
<b>Individual Lottery Funds Finalized &amp; Paid</b>	<b>\$ 3,253,748</b>
<b>Individual Lottery Claims Finalized &amp; Paid</b>	<b>13,774</b>
<b>Total Individual Debt Set-Off Funds Finalized &amp; Paid</b>	<b>\$ 87,501,595</b>
<b>Total Individual Debt Set-Off Claims Finalized &amp; Paid</b>	<b>342,197</b>