

Department of Taxation

October 10, 2024

TO:

The Honorable Glenn Youngkin

Governor of Virginia

The Honorable Stephen E. Cummings

Secretary of Finance

The Honorable L. Louise Lucas

Chairwoman, Senate Finance and Appropriations Committee

The Honorable Luke E. Torian

Chairman, House Appropriations Committee

FROM:

James J. Alex Tax Commissioned

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 2024. 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 2024, 292,140 individual claims totaling \$70,198,320 were paid at an estimated cost of \$1,096,761. A detailed report of costs incurred to support the Setoff Debt Collection Program is attached. The average cost per claim was \$3.75. The average claim was \$240.

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.

Attachment

FY 2024 Debt Setoff – Administration Costs Detail

l.	Personnel Costs		
	Compliance	\$	99,092
	Delinquent Collection Unit Recertification	\$	21,021
	Mail Services and Customer Support	\$	64,204
	IT, Security, and Administration	\$	253,707
	Subtotal – Personnel Costs	\$	438,024
II.	System, Infrastructure and Telephone Costs		
	System and Infrastructure Costs	\$	252,930
	Telephone	\$	1,619
	Subtotal - System and Infrastructure Costs	\$	254,549
III.	Letter and Postage Costs		
	Letters	\$	29,687
	Postage	\$	374,501
	Subtotal – Postage Costs	\$	404,188
	Total All Costs	\$	1,096,761
IV.	Program Results		
	Total Individual Funds Finalized & Paid	\$ 66,090,370 274,103	
	Total Individual Claims Finalized & Paid		
	Individual Lottery Funds Finalized & Paid Individual Lottery Claims Finalized & Paid	\$	4,107,950 18,037
	Total Individual Debt Set-Off Funds Finalized & Paid Total Individual Debt Set-Off Claims Finalized & Paid	\$ 7	70,198,320 292,140