State of Wisconsin
Department of Revenue

Wisconsin Statewide Debt Collection Agreement

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INTRODUCTION

This agreement between the _____, (hereafter referred to as "agency") and the Wisconsin Department of Revenue (hereafter referred to as "department") sets forth the requirements and expectations relating to debt collection services.

STATUTORY AUTHORITY

The department is authorized by sec. 71.93(8), Wis. Stats., to enter into a written agreement to collect any amount owed to the agency.

DUTIES OF THE AGENCY

1. Debt sent to the department for collection must be:
    - Greater than $50.00
    - At least 90 days past due, unless any of the following apply:
        - the agency is negotiating a payment plan
        - the agency has an active payment plan in good standing
        - the debtor has filed for bankruptcy
        - the debtor is deceased
        - the debtor has objected to the basis of the debt and the agency is responding to the objection
    - Reduced to a judgment or the debtor was provided with reasonable notice and an opportunity to be heard with regard to the validity of the debt
2. At least 30 days prior to referral of the debt to the department, the agency shall send notice to the debtor of the agency's intention to refer the debt to the department for collection. The notice must:
    - state the nature and amount of the debt,
    - identify the agency to whom the debt is owed, and
    - advise the debtor that collection costs will be assessed once the debt is referred to the department. Any appeal periods must have expired and all disputes resolved prior to referral of debt to the department.
3. The agency shall send the following file updates in an electronic format using the department's online application or by file exchange using the department's prescribed file layout:
    - New debts submitted to the department must contain the following information:
        - Legal name
        - Social Security Number (SSN), Federal Employer Identification Number (FEIN) or Driver's License Number (DLN)
        - Unique personal identification number that is not the SSN
        - Unique debt identification number
        - Original date the debt was incurred
        - Short debt description and a more detailed debt description used to aid in the collection process.

- Debts may only be updated or recalled by the agency for the following reasons:
  - Recalling a debt that was submitted in error. The agency agrees to contact the department prior to recalling a debt to discuss the action. The department will cease collection actions in progress.
  - Changing an estimated assessment to the actual amount due
  - Correcting a debt balance due to error on initial submission
  - Changing the debt balance for other administrative adjustment

4. The agency agrees to adjust all debts certified to the department's Tax Refund Intercept Program (TRIP) that it intends to send to the department for debt collection to a zero balance. Through this agreement, the department will offset refunds to the agency's debts according to the debt setoff hierarchy as authorized in sec. 71.93(3)(a), Wis. Stats.

5. Once debt is referred to the department for collection, the agency shall discontinue billing statements, demand letters, and active collection efforts. The agency will direct all debtor calls or requests regarding collection of the debt to the department.

6. Once a debt is referred to the department for collection, the agency shall forward any payments received to the department for processing. The department collection fee must be paid even if the debtor sends full payment of the debt to the agency.

7. If the debt is compromised or settled by the agency, the agency shall contact the department to determine the amount owed to the department for the collection fee. The agency is responsible for the full collection fee, based on the original amount certified, when entering a compromise or settlement agreement.

8. Correspondence and telephone inquiries received that relate to the validity of the debt shall be forwarded to the agency for a timely response. The agency must have resources available to assist debtors and department collectors with debt-related issues.

9. Once a debt is collected in full by the department, the debt is returned to the agency as satisfied. The agency shall not submit any changes to the department after the debt is satisfied. If the agency determines the debtor owed a lesser amount or the debt should have been adjusted, the agency shall refund the debtor the amount of overpayment received plus the department collection fee calculated at 15% of the amount overpaid, if appropriate. The department will not refund any paid collection when a debt is satisfied.

10. A debt certified by the agency using the wrong SSN or DLN will be reversed by the department and returned to the agency. Any payments and refund setoffs that occur because of erroneous identification information will be reversed by the department. The agency shall be responsible for reimbursement of collection fees or unrecoverable amounts due to submitting a debt with incorrect identification information.

11. The agency shall be responsible and liable for any claims or lawsuits made against the department arising from collection of a debt that is alleged to be incorrect or not owed by the debtor.

12. The agency agrees to maintain the confidentiality of all accounts, correspondence, documents and any other related information, which may be obtained from or furnished by the department in accordance with all applicable state and federal laws. If a third party is used by the agency to manage the debts referred to the department, the third party must sign a Vendor Confidentiality and Non-Disclosure Agreement with the department and will be bound by the same confidentiality requirements. Any unauthorized use or disclosure of such information, or inadequate procedures for safeguarding the confidentiality of such information, constitutes grounds for immediate termination of this agreement. All agency and vendor users who have access to the department's online system or access to files exchanged between the agency and the department must sign the attached user Certification of Understanding.

13. The agency shall review reports transmitted, reconcile accounts and notify the department within 60 days of any discrepancies.

14. The agency shall have technical staff available to maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.

DUTIES OF THE DEPARTMENT

1. The department shall take all reasonable and cost-effective actions to collect referred debts. Collection efforts may include, but are not limited to:

   - Identify assets available for satisfaction of debts
   - Send demand letters
   - Subpoena records
   - Setoff refunds
   - Negotiate and monitor payment plans
   - Levy assets
   - Certify wages

2. The department's Secretary may waive the referral of certain types of debts.

3. The department shall collect debts and assess interest in the same manner that it collects taxes and assesses interest under secs. 71.82(2), 71.91, 71.92, and 73.03 (20), Wis. Stats.

4. The department shall add an administrative fee to each debt referred for collection. The administrative fee is reviewed periodically and may be adjusted up or down. The department will provide 30 days' notice to the agency prior to any fee adjustment.

5. The department shall apply payments made on delinquencies first to fees, then penalties and interest, with the balance applied to principal. The department shall notify the agency and disburse payments on a monthly basis.

6. The department shall collect from debtors who owe multiple debts to various government entities. Proceeds collected shall be applied according to sec. 71.93(3), Wis. Stats.

7. The department shall send periodic Statements of Account to the debtor. If the agency requests interest on the debt, interest shall be posted monthly. Debtors may view account balances and make online payments at any time using the department's My Tax Account online service.

8. The department may suspend collection action on an agency account temporarily if the debtor raises concerns regarding validity of the debt that needs to be addressed by the agency. The debtor shall be advised that they must contact the agency within 30 days. The department may resume collection action after 30 days unless the agency contacts the department to request additional time or recalls the debt.

9. If a payment, refund, or refundable credit is determined to be in error or is otherwise adjusted after posting to an agency debt, the department may reverse the credit and reduce the monthly distribution by the adjusted amount.

10. The department may close out any debt with a balance that falls below $20.00 and return the debt to the agency.

11. The department shall pursue debt collection until the debt is collected in full or the department has determined the debt is uncollectible.

12. The department may pursue collection against the spouse of the debtor in accordance with Wisconsin marital property laws. When considering collection actions against a spouse, the department may take the following actions:

    - Contact the agency. When the department identifies that a debtor is married and the debt was incurred during the marriage, the department may contact the agency for additional information regarding the nature of the debt.
    - Contact the spouse. Prior to taking any collection action against a spouse, the department shall send a spousal notice providing an opportunity for the spouse to be heard in regards to the ability to collect from the spouse.

13. The department shall suspend collection action on debts if the debtor files bankruptcy. It is the agency's responsibility to handle all bankruptcy matters. The agency must contact the department if they wish to recall a debt when bankruptcy has been filed.

    - If the bankruptcy is discharged, the department will contact the agency to review the debt for potential write off. If the debt survives bankruptcy, the agency must notify the department 60 days after the bankruptcy is closed to resume collection activity.
    - If the bankruptcy is dismissed, the department will resume collection activity.

14. The department shall send the following files:

    - Debt Response File – The department shall respond to all new debt submissions with a response to notify the agency whether the debt was accepted or rejected.
    - Transaction File - The department shall notify the agency monthly of credits posted to interest and principal and disburse payments through an ACH credit or state accounting system general ledger transfer.
    - Return Debt File - The department shall return debts to the agency on a monthly basis for the following reasons:
        - Debt is satisfied
        - Debt is uncollectible
        - Debtor is deceased
        - Debt balance is less than $20
        - Debtor name and ID do not match DOR records
        - Agency recalled the debt
    - Performance Analysis Report – The department shall report on its collection performance upon agency request.

15. The department shall have agents available to assist debtors and the agency with debt-related issues.

16. The department shall resolve any debtor disputes pertaining to improper collection by the department.

17. The department shall have technical staff available to create and maintain electronic file layouts, electronic reports, and other requirements as needed. Agency and department contact information will be periodically updated.

18. The department's Secretary shall be the final authority in the resolution of any interagency disputes in regard to referral of debts.

LEGAL REQUIREMENTS

This agreement is effective upon the signing below of the agency's and department's representatives. The parties shall update the terms of the agreement every 5 years. Amendments mutually agreed to by authorized representatives of the agency and the department shall become effective when signed and dated as an ADDENDUM to this agreement. If allowed by state law, the agreement may be terminated upon 60 days notice by either party.

Wisconsin Department of Revenue	Agency
_____	_____
Print Name	Print Name
_____	_____
Signature	Signature
_____	_____
Date	Date