

**Clark County, Wisconsin**  
**Title: Wisconsin Department of Revenue Debt Collection**

<b>Title:</b> Wisconsin Department of Revenue Debt Collection	<b>Effective Date: January 1, 2019</b>
	<b>Adoption/Revision Date: December 19, 2018</b>
<b>Custodian:</b> County Attorney	<b>Approving Body:</b> Finance and Unjust Tax Committee

**1. Authority**

- a. Wis. Stat. 59.02, 59.03, 59.255, 59.40, 59.51, 59.52, 71.93(8), and 71.935
- b. Clark County Boards, Committees, and Commissions Ordinance, section 7

**2. References**

- a. Adopting Resolution/Ordinance/Motion:
  - i. Finance and Unjust Tax Committee – December 19, 2018 meeting minutes
- b. Other Resolution/Ordinance/Motion: Resolution 58-11-14

**3. Purpose**

- a. To establish a program for the collection of debt owed to Clark County utilizing the Wisconsin Department of Revenue (DOR) debt collection services.

**4. Scope**

- a. This policy applies to all Clark County personnel and departments/offices of Clark County. In the event any policy violates federal or state law or is held invalid by a court of competent jurisdiction, the affected policy shall be deemed to have been severed from this policy to the extent of its invalidity.

**5. Policy Overview**

- a. This policy defines the process and when a debt can be referred to DOR for debt collection.
  - i. Refer to <https://www.revenue.wi.gov/html/debtcoll.html> for more information on DOR debt collection.
- b. **Attachment A - DOR Debt Collection Process Checklist** provides a list of items/steps that must be addressed for debt referred to DOR.
  - i. County Attorney may modify such checklist as additional information is deemed necessary.

**6. Policy Performance**

- a. All Clark County personnel and Clark County departments/offices shall ensure all debt collection referrals made to the Wisconsin Department of Revenue conform to this policy.

**7. Process**

- a. Each individual department is responsible to send initial billing statements and/or demand letters to debtors to request payment for amounts owed for services and/or goods rendered.
  - i. Such statement and/or letter shall, at a minimum, state the payment due date.
- b. If requested payment is at least sixty (60) days past due, a referral may be made to the County Attorney to refer the debt to DOR for collection. In lieu of DOR debt collection, departments may also utilize other debt collection activities if deemed appropriate (ie litigation, referral to third party debt collector, tax intercept).
  - i. The “Department Section” in Attachment A shall be completed and provided to the County Attorney when forwarding a debt for DOR collection.
  - ii. County Attorney shall assign a unique identifier to each debt.
  - iii. For a debt to be referred to the DOR for collection, all of the following criteria must be met:
    - 1. Debt must be greater than \$50.00;
    - 2. Debt must be at least ninety (90) days past due; and

3. Debt shall be reduced to a judgment or the County Attorney shall send written notice to the debtor of the County's intention to refer the debt to DOR for collection.
  - a. Such written notice shall conform to **Attachment B – Debt Collection Letter**.
    - i. The written notice must contain all of the following:
      1. County's intention to refer debt to DOR for collection;
      2. Anticipated date of referral to DOR;
      3. Brief explanation of the debt;
      4. Department name as to who the debt is owed;
      5. Advise the debtor that collection costs will be assessed to the debtor; and
      6. Inform debtor of the right to appeal or dispute the debt owed.
    - b. The written notice shall be sent to the debtor at least thirty (30) days prior to the debt being referred to DOR.
  - iv. A debt cannot be referred to DOR for collection if any of the following apply:
    1. The department/County is negotiating alternative payment arrangements with debtor;
    2. The debtor has filed for bankruptcy;
    3. The debtor has objected to the debt and the objection has not been addressed by the department/County; or
    4. The department/County has negotiated a formal waiver of time period or debt type.
  - c. When referring a debt to DOR, County Attorney, with the cooperation from the department, shall input the following information into the DOR's electronic system:
    - i. Name of debtor;
    - ii. Amount of debt owed including any interest that may apply;
    - iii. Type of debt (ie define what services/goods were rendered);
    - iv. If a judgment or lien has been entered, the judgment/lien number; county where judgment/lien is filed; name of judgment/lien; docket/filing number; and amount of judgment/lien; and
    - v. Any other information required by DOR (ie social security number, driver's license number and/or federal employer identification number).
  - d. County Attorney shall complete the remaining items of the checklist set forth in Attachment A as such information becomes available.
  - e. Once a debt is referred to DOR for collection, the department must do all of the following:
    - i. Provide updates to County Attorney as to any payments received within 24 hours;
    - ii. Provide updates to County Attorney as to changes in debtor's contact information within 24 hours;
    - iii. Provide updates to County Attorney as to any change in bankruptcy status within 24 hours;
    - iv. Send all payments received by the department to County Attorney to forward onto DOR for credit on account;
    - v. Update department's internal system for any payments made or received by debtor or DOR;
    - vi. Discontinue sending billing statements and demand letters;
    - vii. Discontinue any active collection efforts outside DOR collection;

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- viii. Report any discrepancies to County Attorney within sixty (60) days; and
- ix. Cooperate with County Attorney and DOR regarding debt-related issues.
- f. DOR will utilize the debt collection activities set forth in **Attachment C – DOR Debt Collection Authorities** with the DOR collection’s fees taking precedence over other owed amounts.
  - i. If the department settles debt amount with debtor after the debt has been referred to DOR, the debtor is still responsible to pay DOR’s collection fees and department shall take such fees into consideration when settling a debt.
- g. DOR will provide periodic updates on status of referred debt collection, which will be communicated to the applicable department as such updates are provided to County Attorney.
- h. DOR will deposit any payment received into the County’s designated account.
- i. DOR will actively collect on debt until any of the following applies:
  - i. Debt is paid in full;
  - ii. Debt owed falls below \$20.00;
  - iii. Debt remains after five (5) years of collection activity; or
  - iv. Until department/County direct DOR otherwise.

**8. Attachments**

- a. Attachment A – DOR Debt Collection Process Checklist
- b. Attachment B – Debt Collection Letter
- c. Attachment C – DOR Debt Collection Authorities

<b>Revision History</b>		
<b>Adoption/Revision Date</b>	<b>Overview of Adoption/Revision</b>	<b>Adoption/Revision Reference</b>
December 19, 2018	New policy	Finance and Unjust Tax Committee – December 19, 2018 meeting minutes

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**Attachment A**  
**DOR Debt Collection Process Checklist**

<b>DEPARTMENT SECTION</b>		
<b>Inquiry</b>	<b>Response</b>	<b>Initial/Date</b>
Department name		
Full Name of debtor		
Address of debtor		
Debtor SSN, FEIN, or driver's license number		
Telephone number/email address of debtor		
Type of debt (ie description of services or goods)		
Amount of principal owed		
Amount of interest owed		
Date debt was due		
Judgment or lien?	Yes _____ / No _____	
If judgment or lien exists, list: 1) amount; 2) identification number and name; and 3) county		
Repayment agreement with debtor?	Yes _____ / No _____	
Any other collections activities?	Yes _____ / No _____	
Debtor objected to debt and department actively working with debtor to resolve?	Yes _____ / No _____	
Negotiated waiver of due date?	Yes _____ / No _____	
<b>COUNTY ATTORNEY SECTION</b>		
<b>Inquiry</b>	<b>Response</b>	<b>Initial/Date</b>
Debt ID		
Date debt referred by department		
Debtor currently in bankruptcy proceedings?	Yes _____ / No _____	
Date of inquiry		
Date written notice to debtor sent		
Date debt referred to DOR		

\*if response is not applicable or unknown, mark "N/A".



## **Clark County – County Attorney**

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517 Court Street • Neillsville, Wisconsin 54456

Phone: 715-743-5223 • Fax: 715-743-5159 • jacob.brunette@co.clark.wi.us

November 30, 2018

TO

### **NOTICE OF INTENT TO REFER DEBT TO THE DEPARTMENT OF REVENUE**

Pursuant to Wis. Stat. 71.93 (8), you are hereby notified that Clark County may refer the following debt to the Wisconsin Department of Revenue (DOR) for collection:

DATE ISSUED:

DEPARTMENT:

SERVICE/GOODS:

ORIGINAL AMOUNT DUE:

INTEREST:

SUBTOTAL:

PAYMENTS MADE:

**TOTAL DUE:**

If the debt is not paid in full within 30 days of the date of this letter, the amount may be referred to a DOR revenue agent for debt collection action after such date. A delinquent collection fee of 15% of the total amount due or \$35.00, whichever is greater, will be added to your account. Also, interest may accrue at a rate of 1.0% monthly until the amount due is paid in full.

Collection action may include one or all of the following, some of which result in additional fees being added to your account:

- Interception of your Wisconsin tax refunds
- Attachment of wages or other compensation being paid to you
- Garnishment, seizure, or levy against your property, including bank accounts and IRAs
- Filing a delinquent tax warrant in the county in which you reside and/or own property. This warrant will act as a judgment/lien on any property that you own and may affect your credit rating.

Please send your full payment with a copy of this letter. If you do not think you owe this amount or have questions, please contact \_\_ at \_\_\_\_.

Sincerely,

Jacob C. Brunette  
Clark County – County Attorney

cc:

## Attachment C

**State of Wisconsin  
Department of Revenue  
State Debt Collection Initiative**

<b>Department of Revenue – Collection Authorities</b>		
<b>Collection Activity</b>	<b>Description</b>	<b>Statutory Authority</b>
Cash Executions (seizure)	To obtain collection of a debt by seizing cash. This action requires a warrant lien.	Sec. 71.91(5), 77.62(1), 766.31, 766.55, 71.91(2), 71.91(3), Wis. Stats.
Garnishments - Continuous Wage	To obtain payment of a debt by attaching an individual's wages, salaries, commissions and other forms of personal compensation. This action requires a warrant lien.	Sec. 812.30 through 812.44 Wis. Stats.
Garnishments - Non Earnings	To obtain payment of a debt by attaching monies owed to the debtor other than personal compensation. This action requires a warrant lien.	Sec. 71.10(6)(a), 766.55, 812.01, 812.06 Wis. Stats.
Hearings - Informal	To establish contact with the debtors to resolve the account and/or gather collection information, e.g., obtain full payment and/or missing returns.	Sec. 73.03(20) Wis. Stats.
Hearings - Supplemental	To obtain collection and/or information from the debtor to assist in the collection of debtor's account. Although the primary purpose is "asset discovery" the procedure is also used to request the appointment of a receiver. This action requires a warrant lien.	Ch. 816, 71.91(5), 73.03(9), 73.04, and 77.62(1), Stats.
Installment Agreements	To enter into an arrangement acceptable to the Department of Revenue and debtor that will resolve the collection balance.	Sec 71.92(2), 77.62(4), Wis. Stats.
Levy	To attach the assets of a debtor (\$50 and over and with consideration for bank fees charged for this action), after voluntary collection efforts have failed. Levy is used when cash or liquid assets are held by a third party, such as a commercial bank.	Sec. 71.91(6) Wis. Stats.
Liens and Judgments	To enable legal collection actions by filing warrants with the Clerks of Circuit Courts in the county where the debtor taxpayer resides or owns personal and/or real property.	Sec. 71.91(4), 71.91(5), 71.91(5)(g), 71.91(5)(m), 77.62, 806.11, 806.15(1), 815.04, 893.40 Wis. Stats.,
Marital Obligations	To insure that marital obligations are collected from either the incurring person or their spouse. Debts incurred for periods after December 31, 1985, or the marriage date whichever is later) are presumed to have been incurred in the interest of the marriage or family. (Wisconsin Marital Property Law in effect as of January 1, 1986)	Sec. 71.10(6m)(b), 766.55 and 859.18(3), Wis. Stats.
Personal Property Executions	To obtain collection on a debtor account by seizing personal property and selling it. This action requires a warrant lien.	Sec. 71.91(5), 77.62(1), 766.31, 766.55, 71.91(2), 71.91(6)(f)6, 815.05, 815.29(1) Wis. Stats.
Refund Offset	To obtain payment of delinquent debt owed by applying overpayments from tax types to delinquent debt.	Sec. 71.80(3m), 71.80(3m)(d), 71.55(1), 71.61(1), 71.10(6a & 6b), 71.93 Wis. Stats.
Subpoena - Administrative	To obtain records and information regarding potential collection sources.	Sec. 73.03(9), 73.03(20), 73.04(3), 885.01(4) Wis. Stats.
Wage Assignment	To attach the wages of a debtor who voluntarily requests their wages be attached to resolve their debt.	Sec. 71.91 Wis. Stats.