



Iowa Department of Revenue

Director: Mark R. Schuling
Hoover State Office Building
Des Moines, Iowa 50319
www.state.ia.us/tax

October 15, 2009

Mr. Dick Oshlo
Interim Director
Iowa Department of Management
State Capitol Building

Mr. Glen Dickinson
Director
Iowa Legislative Services Agency
State Capitol Building

Office of the Secretary of Senate
Iowa Senate
For the Legislative Fiscal Committee
State Capitol Building

Office of the Chief Clerk
Iowa House of Representatives
For the Legislative Fiscal Committee
State Capitol Building

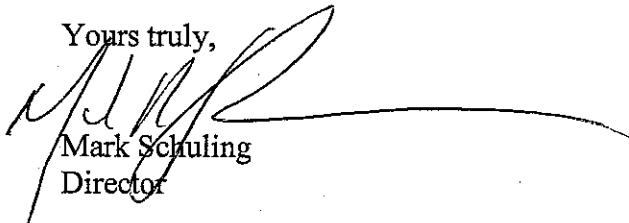
Re: Department of Revenue Collection Enterprise

Dear Mr. Oshlo, Mr. Dickinson, and Members of the Legislative Fiscal Committee:

Iowa Code § 421.17(27)(h) and (j) (2009) require the Director to report quarterly the collection results and annually collection positions added and costs incurred by the Department of Revenue. Please accept the attached report as the FY09 year end report as required by this section.

If you have any questions or further information is needed, please let me know.

Yours truly,



Mark Schuling
Director

**Iowa Department of Revenue
FY 2009 Collection Enterprise Report
October 2009**

The Iowa Collection Enterprise (ICE) encompasses all collection activities of the Department of Revenue. This includes not only the collection of assessed tax obligations by the Department but also collections made in support of the Judicial Branch, College Student Aid Commission, DHS Child Support Recovery and the Department of Natural Resources. The ICE is funded by receipts and by collection charges that are passed on to obligors.

Collections by Fiscal Year

Collections for Fiscal Year 2009 were \$156.1 million. This was \$3.6 million less than was collected in Fiscal Year 2008. The reduction is attributable to a decision by the College Student Aid Commission to withdraw its accounts from the Collection Enterprise. College Student Aid Commission collections decreased by \$5.4 million compared to FY08.

The attached table details collections for the past four fiscal years.

Cost/Benefit

Collection costs totaled \$9.7 million. Total costs equaled 6.2 percent of the amount collected.

FY 2010 collections are estimated to total \$155.4 million at a cost of \$16.7 million. FY 2010 costs include \$6.6 million related to an upgrade to the Web-enabled collection system required in 2008 Iowa Acts, 82nd G.A. Ch. 1172, §31.

The total collection estimate for FY 2010 is reduced \$0.7 million to reflect the complete phase-out of collections for the College Student Aid Commission.

No new revenue agent positions were added in Fiscal Year 2009.

<u>Fiscal Year</u>	<u>Collections</u>	<u>Cost</u>	<u>Cost ratio</u>
FY 2007 Actual	\$148.7M	\$11.6M	7.8%
FY 2008 Actual	\$159.7M	\$10.1M	6.3%
FY 2009 Actual	\$156.1M	\$ 9.7M	6.2%
FY 2010 Estimate	\$155.4M	\$16.7M	10.7%

Iowa Department of Revenue
Iowa Collection Enterprise

Collections for Fiscal Year 2009

<u>Program</u>	<u>Dollars Collected</u>
IDR Tax Receivables	\$ 134,157,082
Judicial	\$ 20,040,649
College Aid	\$ 1,406,564
DHS Child Support	\$ 494,260
DNR	\$ 10,479
Total	<u>\$ 156,109,034</u>

Collections for Fiscal Year 2008

<u>Program</u>	<u>Dollars Collected</u>
IDR Tax Receivables	\$ 130,990,216
Judicial	\$ 21,188,375
College Aid	\$ 6,782,865
DHS Child Support	\$ 700,103
DNR	\$ 26,590
Total	<u>\$ 159,688,149</u>

Collections for Fiscal Year 2007

<u>Program</u>	<u>Dollars Collected</u>
IDR Tax Receivables	\$ 123,282,900
Judicial	\$ 18,651,098
College Aid	\$ 5,881,135
DHS Child Support	\$ 809,419
DNR	\$ 65,289
Total	<u>\$ 148,689,841</u>

Collections for Fiscal Year 2006

<u>Program</u>	<u>Dollars Collected</u>
IDR Tax Receivables	\$ 95,191,312
Judicial	\$ 15,832,516
College Aid	\$ 4,064,096
DHS Child Support	\$ 1,010,779
DNR	\$ 99,366
Total	<u>\$ 116,198,069</u>