



Iowa Department of Revenue

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

October 15, 2010

Mr. Dick Oshlo
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

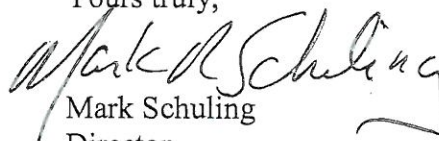
Re: Department of Revenue Collection Enterprise

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 FY10 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

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HOUSE OF REPRESENTATIVES

**Iowa Department of Revenue
FY 2010 Collection Enterprise Report
October 2010**

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, 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 2010 were \$192.7 million. This was \$36.6 million more than was collected in Fiscal Year 2009. The collection increase is largely attributable a 20 percent increase in new assessments.

The attached table details collections for the past four fiscal years. College Aid moved its collection activity from ICE in FY 2009.

Cost/Benefit

Collection costs totaled \$15.65 million. Total costs equaled 8.1 percent of the amount collected.

FY 2011 collections are estimated to total \$193.0 million at a cost of \$12.5 million. FY 2010 and FY 2011 include costs related to an upgrade to the Web-enabled collection system required in 2008 Iowa Acts, 82nd G.A. Ch. 1172, §31. The collection system upgrade is expected to be completed in November 2010.

The Collection Enterprise is operating with 15 fewer filled positions in FY11 than it had to begin FY10. Seven of those vacancies are Revenue Agent positions. The Collection Enterprise currently has 56 filled positions.

<u>Fiscal Year</u>	<u>Collections</u>	<u>Cost</u>	<u>Cost ratio</u>
FY 2008 Actual	\$159.7M	\$10.1M	6.3%
FY 2009 Actual	\$156.1M	\$ 9.7M	6.2%
FY 2010 Actual	\$192.7M	\$15.7M	8.1%
FY2011 Estimate	\$193.0M	\$12.5M	6.5%

**Iowa Department of Revenue
Iowa Collection Enterprise**

Collections for Fiscal Year 2010

<u>Program</u>	<u>Dollars Collected</u>
IDR Tax Receivables	\$ 167,017,243
Judicial	\$ 25,147,803
DHS Child Support	\$ 535,264
DNR	\$ 45,752
Total	\$ 192,746,062

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	\$ 156,109,034

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	\$ 159,688,149

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	\$ 148,689,841