



Department of Revenue

Kim Reynolds, Governor  
Chris Cournoyer, Lt. Governor

Mary Mosiman, Director

October 3, 2025

Timothy McDermott, Director  
Legislative Services Agency  
State Capitol Building

Kraig Paulsen, Director  
Iowa Department of Management  
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. McDermott, Mr. Paulsen, and Members of the Legislative Fiscal Committee:

I am writing to update you on the Iowa Department of Revenue's debt collection program for Fiscal Year 2025. This report is required annually by Iowa Code Chapter 421.17(27)(j).

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

Respectfully,

A handwritten signature in blue ink that reads "Mary Mosiman".

Mary Mosiman, Director

**Iowa Department of Revenue  
FY 2025 Central Collections Unit Report**

**Debt Collection Program**

Debt collection services within the Department are provided by the Central Collections Unit (CCU). CCU provided debt collection services to the following state agencies:

- Department of Health and Human Services (HHS) Child Support Services
- HHS Health & Wellness Premiums
- HHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR)
- Iowa Department of Revenue (IDR)
- Iowa Insurance Division (IID)
- Iowa Judicial Branch

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

CCU collections consist of two stages. Stage 1 collections are performed by CCU-TSI, and include both tax debt and non-tax debt accounts. Stage 2 collections are performed by CCU-IDR on tax debt CCU-TSI was unable to collect in full or establish a repayment plan.

**Costs by Fiscal Year**

The Centralized Collection Unit is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. CCU-IDR added 19.51 full time employee (FTE) positions to its budget in FY2025. These added FTEs include changes in allocations of existing salaries, as well as temporary employee costs. CCU costs for the last three fiscal years, and an estimate of FY2026 costs, including but not limited to salaries, support, maintenance, and services, are provided in Table 1.

**Table 1. Centralized Collection Unit Costs, FY 2023 – FY 2026**

	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimated
Cost Incurred	\$19,742,027	\$19,395,522	\$16,784,091	\$21,403,169

**Collections by Fiscal Year**

Table 2 shows total dollars collected by CCU the last three fiscal years and an estimate of the total dollars to be collected in the current fiscal year.

Fiscal Year 2025 collections were \$270 million, an increase of \$14.23 million compared to FY2024. As the collections team develops expertise in the modernized tax system, overall collection amounts are increasing.

In November 2023, IDR assumed administration of the DAS State Offset Program. In FY2025, the IDR State Setoff Program intercepted 87,757 eligible payments and sent \$36,791,008 to participating agencies, resulting in \$614,299 in fees retained by IDR. Additionally, the program intercepted 5,818 eligible payments for \$5,460,826 that were applied to state tax debt.

### Iowa Department of Revenue FY 2025 Central Collections Unit Report

The rollout of IDR's modernized tax system has led to several changes in how collections are calculated and reported. Changes include:

- Dollars collected within the first thirty days after a Notice of Assessment is issued are coded in IMPACT as "Assessment Recoveries."
  - Prior to FY22, these collections were included in CCU-TSI, Stage 1, Tax Debt.
  - Assessment Recoveries are now tracked separately, and are no longer subject to TSI collection fees.
- Accounts Receivable (A/R) Non-filer collections were not previously included in CCU program collections.
  - Non-filer collections represent payments received on accounts that are delinquent, but have not yet received a Notice of Assessment or resolved the non-filer status.
  - A/R Non-filer collections are now included in CCU-Stage 1 & 2 Tax Debt.
- Amounts previously reported as DAS State Offset Program income are now included in CCU-IDR Stage 2 Tax Debt Collections.
  - With the transition of the DAS State Offset Program to the IDR State Setoff Program in November 2023, IMPACT now includes setoff income with Stage 2 collections.

**Table 2. Central Collections Unit Program Collections, FY 2023 – FY 2026**

Program	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimated
CCU - Stage 1 & 2 Tax Debt	\$210,891,921	\$247,958,403	\$262,724,031	\$284,600,000
CCU - College Aid	\$331,097	N/A	N/A	N/A
CCU - HHS Child Support	\$549,819	\$471,036	\$463,350	\$540,000
CCU - HHS Health & Wellness	\$80,648	\$19,403	\$16,683	\$25,000
CCU - HHS Medicaid	\$8,470	\$6,360	\$16,636	\$24,000
CCU - DNR	\$34,364	\$16,396	\$37,390	\$30,000
CCU - Iowa Insurance Division	\$7,010	\$1,785	\$1,000	\$10,000
CCU - Iowa Judicial Branch	\$7,116,593	\$6,947,183	\$6,388,857	\$9,600,000
<b>Total</b>	<b>\$219,019,922</b>	<b>\$255,420,565</b>	<b>\$269,647,947</b>	<b>\$294,829,000</b>

Notes:

CCU – Stage 1 & 2 Tax Debt: amounts collected from Account Receivables, Non-filers, CCU-TSI Stage 1 and CCU-IDR Stage 2 Collections, State Setoff Income, and Assessment Recoveries