IOWA | Department of Revenue

Kim Reynolds, Governor
Chris Cournoyer, Lt. Governor

Mary Mosiman, Director

October 30, 2026

Tim McDermott, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. McDermott:

This letter provides an update on the central debt collection program for the quarter ending September 30, 2026. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

Debt Collection Program
The Central Collections Unit (CCU) provided debt collection services related to the following:

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

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

CCU collections can be assigned to one of two stages, CCU-TSI or CCU-IDR. CCU-TSI includes all non-tax debt and any tax debt determined to be better worked by an outside collection agency. Today, IDR partners with TSI, Transworld Systems, Inc., on debt collection. CCU-IDR includes all other tax debt and reserves the right to recoup collection cases if CCU-TSI's attempts to establish a payment agreement prove unsuccessful. Advanced collection actions may take place on collection cases placed with CCU-IDR.

Collections by Quarter
Tax debt collections for the quarter ending September 30, 2026 totaled $58.05 million, down $10.89 million compared to the same quarter last year (see Table 2). This amount includes tax collection efforts by CCU-TSI, CCU-IDR, Accounts Receivable activities, Setoffs, and Non-filer payments. For the quarters ending December 31, 2025 and March 31, 2026, there were an unusually high amount of non-filer payments. Non-filer payments are defined as payments received on periods that are marked delinquent or receive a non-filer notice, before any notice of assessment is sent.

For the quarter ending September 30, 2026, the IDR State Setoff Program intercepted 3,904 eligible payments to obligors, and sent a total of $1.77 million to the respective agencies participating in the program. These payments resulted in fees of $27,328 collected by IDR. In the same period, IDR intercepted 749 eligible payments for a total of $686k that were applied to delinquent tax debt.

Collections for Iowa Judicial Branch totaled $1.64 million for the quarter, up $47k from the same period last year. Collections for HHS Child Support totaled $96k, down $3k from the same period last year. Finally, total collections for all other partners were $6,137, down $4,450 from the same period last year.

The tables and figures provided reflect only the efforts of the CCU.

Please note, while every effort has been made to maintain consistency in reporting across fiscal years and between IDR's legacy and modernized systems, some changes and improvements are unavoidable. As of November 15, 2023, several data sets have transitioned into IDR's modernized systems. Significant changes in reporting and system capabilities may result in variances when comparing reported values before and after this date.

Cost

The CCU is self-supporting and charges for all direct and indirect costs that are properly allocable to CCU activities. CCU costs for the last three fiscal years, and an estimate of the total receipts to be retained by the Department to pay for FY2027 salaries, support, maintenance, services, and other costs incurred are provided in Table 1.

Table 1. Centralized Collection Unit Costs, FY 2024 – FY 2027

	FY 2024 Actual	FY 2025 Actual	FY 2026 Actual	FY 2027 Estimated
Cost Incurred	$19,395,522	$16,784,091	$17,234,442	$21,003,554

If you have any questions regarding this information, please let me know.

Respectfully,

Mary Mosiman

Mary Mosiman, Director

Table 2.Central Collections Unit Quarterly Collections

Program	Collections for Quarter Ending				
	September 2026	**December 2026**	**March 2027**	**June 2027**	**FY 2027**
HHS Child Support	$96,167				$96,167
HHS Health & Wellness	$2,764				$2,764
HHS Medicaid	$469				$469
DNR	$2,655				$2,655
Iowa Insurance Division	$250				$250
Iowa Judicial Branch	$1,638,559				$1,638,559
Stage 1 & 2 Tax Debt	$58,050,681				$58,050,681
Total	**$59,791,545**				**$59,791,545**
	September 2025	**December 2025**	**March 2026**	**June 2026**	**FY 2026**
HHS Child Support	$99,473	$121,097	$93,679	$86,090	$400,339
HHS Health & Wellness	$3,167	$2,310	$1,088	$1,885	$8,450
HHS Medicaid	$2,880	$565	$500	$3,191	$7,135
DNR	$4,025	$2,940	$14,552	$2,100	$23,617
Iowa Insurance Division	$516	$496	$925	$325	$2,262
Iowa Judicial Branch	$1,591,422	$1,906,333	$1,976,253	$1,806,006	$7,280,014
Stage 1 & 2 Tax Debt	$68,937,138	$138,031,283	$113,474,629	$63,631,955	$384,075,004
Total	**$70,638,620**	**$140,065,025**	**$115,561,625**	**$65,531,551**	**$391,796,821**
	September 2024	**December 2024**	**March 2025**	**June 2025**	**FY 2025**
HHS Child Support	$96,857	$199,935	$89,602	$76,956	$463,350
HHS Health & Wellness	$8,145	$3,894	$2,515	$2,128	$16,683
HHS Medicaid	$565	$3,398	$10,151	$2,522	$16,636
DNR	$5,969	$3,665	$7,558	$20,198	$37,390
Iowa Insurance Division	$150	$200	$150	$500	$1,000
Iowa Judicial Branch	$1,569,519	$1,494,101	$1,823,528	$1,501,709	$6,388,857
Stage 1 & 2 Tax Debt	$63,522,153	$62,403,773	$66,171,566	$70,626,539	$262,724,031
Total	**$65,203,359**	**$64,108,966**	**$68,105,070**	**$72,230,553**	**$269,647,947**

Totals may not equal the sum of quarterly numbers due to rounding.