



**Iowa Department of Revenue**

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**Director:** Courtney M. Kay-Decker  
Hoover State Office Building  
Des Moines, Iowa 50319  
[www.iowa.gov/tax](http://www.iowa.gov/tax)

December 16, 2015

Mr. David Roederer, Director  
Iowa Department of Management  
State Capitol Building

Glen Dickinson, Director  
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. Roederer, Mr. Dickinson, and Members of the Legislative Fiscal Committee:

I am writing to update you on the Department of Revenue debt collection program for the fiscal year ending June 30, 2015. 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.

Very truly yours,

Courtney M. Kay-Decker  
Director

**Iowa Department of Revenue  
FY 2015 Collection Enterprise Report  
December 2015**

The debt collection program encompasses all collection activities of the Department of Revenue. This includes the collection of tax obligations by the Department, and also collections made in support of the Judicial Branch, the Department of Human Services Child Support Recovery Unit and the Department of Natural Resources. The collection function is funded by repayment receipts and by collection charges that are passed on to obligors.

Senate File 510 repealed the authority for the Judicial Branch to utilize the services of the Central Collection Unit. Judicial Branch collections are being phased out and no new accounts have been placed with the Department since July 1. The Department expects to collect \$13 million for the Judicial Branch in FY16 compared to \$32 million in FY15.

**Collections by Fiscal Year**

The attached table shows total FY15 collection revenue totaling \$187.3 million. Collection estimates for FY16 are \$168.6 million. The difference reflects primarily reduced Judicial Branch collections.

The Judicial Branch has other collection resources besides the Department of Revenue's Central Collection Unit. Those resources, which include county attorneys, a collection agency, and the state offset program, will help to make up for reduced collections by the Department of Revenue.

**Cost/Benefit**

The Department accounts for all direct and indirect costs that are properly allocable to collection activities. The Cost to collect reflects total costs divided by total collections. FY15 costs totaled \$15.6 million and collections totaled \$187.3 million. No new positions were added this year.

<u>Fiscal Year</u>	<u>Cost to Collect</u>
FY 2013	14.50%
FY 2014	7.08%
FY 2015	7.44%
FY 2016 Estimate	8.34%

**Iowa Department of Revenue  
Central Collection Unit Fiscal Report**

**Collections for Fiscal Year 2015**

<u>Program</u>	
CCU - IDR Tax Receivables	\$154,724,119
CCU - Judicial	\$32,036,825
CCU - DHS Child Support	\$486,099
CCU - DNR	<u>\$18,903</u>
<b>Total</b>	<b>\$187,265,946</b>

**Collections for Fiscal Year 2014**

<u>Program</u>	
CCU - IDR Tax Receivables	\$164,073,362
CCU - Judicial	\$33,491,028
CCU - DHS Child Support	\$560,815
CCU - DNR	<u>\$39,486</u>
<b>Total</b>	<b>\$198,164,691</b>

**Collections for Fiscal Year 2013**

<u>Program</u>	
CCU - IDR Tax Receivables	\$143,512,838
CCU - Judicial	\$31,740,249
CCU - DHS Child Support	\$469,374
CCU - DNR	<u>\$22,481</u>
<b>Total</b>	<b>\$175,744,943</b>