



MEMORANDUM

TO: Mayor and Common Council

FROM: Pamela A. Captain, Thomas Stoffel, Melanie Krause

SUBJECT: Wisconsin Tax Refund Intercept Program (TRIP)

DATE: Thursday, February 25, 2010

Council member Sue Wisneski requested an update relative to the City's participation in the Tax Refund Interception Program (TRIP) being discussed among staff members at the City, including the utility.

Sections 71.93, 71.935, 73.03 (52), 73.03 (52m), and 73.03 (52n), Wis. Stats., authorize the Wisconsin Department of Revenue (DOR) to intercept taxpayer refunds, other refundable credits, and lottery prizes to be applied against certain debts a taxpayer owes to local governments. In order to participate in the refund interception program the local government must enter into a written agreement with DOR. At least one municipal representative must also obtain a Web Access Management System user ID and password to access the TRIP system. This is the person who transmits the certifying debt to the DOR.

In order to submit the debt for tax interception, it must in an amount of at least \$20.00. Qualifying debts include: fines, fees, forfeitures, debts reduced to judgment and debts related to property taxes. The municipality must have the debtor's name and social security number, federal identification number or operator's license number. All amounts due DOR and other state agencies will be satisfied prior to payment to the local government.

There is an administrative fee charged to the taxpayer and it is currently \$5.00 per debt.

A municipality is required to keep accurate and updated information on TRIP and must check TRIP at least once a week. The municipality must notify the debtor in writing of the certification of a debt to DOR and provide for an appeal process.

Based upon staff investigation into TRIP as well as discussion with Melanie Krause, Co-general manager of the utilities and Tom Stoffel, City Comptroller/Treasurer, it is staff's recommendation that the City participate in this municipal debt collection program (municipal court is already using the program). We request authority to execute any contracts and other documents necessary for participation.