STATE OF WISCONSIN
DEPARTMENT OF HEALTH SERVICES
DIVISION OF ENTERPRISE SERVICES
BUREAU OF FISCAL SERVICES

ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 13 – Tax 2.0	EFFECTIVE DATE: 03/19/1987
TITLE: DOR Tax Setoff Program	REVISION DATE: 01/03/2018
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

Section 73.12, Wisconsin Statutes, authorizes the Department of Revenue (DOR) to intercept payments made to a vendor made by the State of Wisconsin as a set off against delinquent taxes owned by the payee to the State of Wisconsin. All checks for a vendor will be turned over to DOR by the Department of Administration (DOA) until the taxes are paid in full or a waiver to the set off is obtained.

PROCEDURES

1. DOR informs the vendor that future payments made by State agencies will be intercepted until the tax matter is resolved.
   DHS will be advised by memo that a check has been intercepted. This memo will be mailed to DHS by the State Controller's Office. BFS will file the memorandum with the payment voucher(s) that generated the intercepted check.
2. If DOR determines, within five working days of receiving the intercepted check, that the tax delinquency was previously satisfied or the wrong check was intercepted, DOR and DOA will promptly process the original check normally to the vendor.
3. If at any time the intercepted check exceeds the delinquent tax amount, DOR will intercept the delinquent amount. The remaining balance will be directly sent to the vendor by DOA central mailing. This offset will show on the vendor's remittance stub.

CONTACTS

Expenditure Accounting Section Chief