



Association of Indiana Counties, Inc.
101 West Ohio Street, Suite 1575
Indianapolis, IN 46204

(317) 684-3710
Fax (317) 684-3713
www.indianacounties.org

AIC TRECs Debt Setoff Sample Debtor Notification Letter

Notification Requirements:

A unit of local government must send written notice to a debtor that the unit of local government intends to submit the debt owed by the debtor for the tax refund set off under IC 6-8.1-9.5 prior to submitting the debt file to the clearinghouse.

The notice must state substantially the following:

1. The unit of local government's basis for the claim to the debt and set off.
2. The unit of local government intends to submit the debt owed by the debtor for the tax refund set off under this chapter.
3. The debtor has the right to contest the matter by filing a protest and request for hearing with the fiscal officer of the unit of local government.
4. The time limits and procedures for protesting and requesting the hearing (30 days following mailing of notice).
5. A statement that the failure to protest and request a hearing within the required time will result in the debt being submitted for the tax refund set off under this chapter.
6. A statement that in addition to the amount of the debt owed by the debtor, the total amount of the set off of the debtor's tax refund may include the following fees for processing the set off of the debtor's tax refund, as applicable:
 - a. IDoR's collection fee of 15% of the setoff.
 - b. One (1) or more local collection assistance fees of \$20.

NOTICE: This summary and the sample letters referred to is intended as a guideline only. It is not a substitute for consultation with the local attorney. A unit of local government that fails to comply with the notice requirements of IC 6-8.1-9.5-3.7 before submitting a debt for a tax refund set off is liable to the debtor for the amount of any tax refund set off applied by the department for the debt to the claimant agency, including any collection fee.



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October 1, 2017

Mr./Ms. _____
 2001 Smithway Avenue
 Anywhere, IN 29999

RE: Notice of Debt Owed to the local agency of _____
 Intention to setoff debt
 Mr./Ms. _____

Dear Mr./Ms. _____ :

(For a single debt of \$25 or more)

Our records indicate that you owe the following past due amount to the local agency of _____

Explanation of Debt	Bill Date	Date Past Due	Past Due Amount
Water Service	December 2, 2016	January 2, 2017	\$76.55
Interest (12 mos)	December 2, 2017		\$4.59
Total Debt			\$81.14

(For two or more debts, each of \$25 or more)

Our records indicate that you owe the following past due amounts to the local agency of _____

Explanation of Debt	Bill Date	Date Past Due	Past Due Amount
Water Service	December 2, 2016	January 2, 2017	\$76.55
Interest (12 mos)	December 2, 2017		\$4.59
Total Debt			\$81.14

Explanation of Debt	Bill Date	Date Past Due	Past Due Amount
Em. Medical Services	December 2, 2016	January 2, 2017	\$50.00
Interest (12 mos)	December 2, 2017		\$3.00
Total Debt			\$53.00

(For two or more debts that exceed \$25 when combined)

Our records indicate that you owe the following past due amounts to the local agency of _____



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Explanation of Debt	Bill Date	Date Past Due	Past Due Amount
Water Service	December 2, 2016	January 2, 2017	\$15.00
Interest (12 mos)	December 2, 2017		\$0.90
Total Debt			\$15.90

Explanation of Debt	Bill Date	Date Past Due	Past Due Amount
Em. Medical Services	December 2, 2016	January 2, 2017	\$20.00
Interest (12 mos)	December 2, 2017		\$1.20
Total Debt			\$21.20

As authorized by Indiana Code IC 6-8.1-9.5, the local agency of _____ intends to submit the above (debt/debts) to the Indiana Department of Revenue for collection by applying the (debt/debts) against any income tax refund in excess of \$25 that you may be entitled to receive.

(Choose the appropriate paragraph or modify accordingly if other combinations apply)

(For a single debt of \$25 or more)

Additionally, you are further advised that in accordance with the legislation, a local collection assistance fee of \$20 will be added to the obligation or account described above if it is submitted for set off. The Indiana Department of Revenue will withhold an additional 15% of the refund for state collection costs.

(For two or more debts, each of \$25 or more)

Additionally, you are further advised that in accordance with the legislation, a local collection assistance fee of \$20 will be added to each obligation or account described above if it is submitted for set off. The Indiana Department of Revenue will withhold an additional 15% of the refund for state collection costs.

(For two or more debts that exceed \$25 when combined)

Additionally, you are further advised that in accordance with the Act, a local collection assistance fee of \$20 will be added to the obligations or accounts described above if they are submitted for set off. The Indiana Department of Revenue will withhold an additional 15% of the refund for state collection costs.

You have the right to contest this action by filing a written request for a hearing with the local agency of _____. Your request must be filed at the following address no later than 30 days from the postmarked date of this letter. Your request for hearing may be filed within the specified time by delivering it to the local regional agency office or by delivering it for mailing with postage prepaid and properly addressed to the local agency at the following address.

Local agency of _____
 PO Box 500
 Anywhere, IN 29999

Failure to request a hearing within the 30 days' time limit will result in the setoff of the above debt, and the addition of the applicable local collection assistance fee.

Yours truly,

(Name and position)

Cc: _____, Debt Setoff Officer