



## 1. What is the AIC TRECS debt setoff program?

The Association of Indiana Counties' TRECS program allows any local government to submit unpaid debts through the AIC clearinghouse to the Indiana Department of Revenue to match the debtor's name and social security number against those taxpayers due a personal income tax refund. If a match is found between the debtor and the debtor's personal income tax refund, IDoR offsets the refund for repayment of the debt. The state's debt setoff program has been used successfully for years by state agencies to recover unpaid state debts, university debts, child support in arrears and misapplied state payments such as unemployment insurance.

## 2. What authorizes local government agencies to participate in the Indiana Department of Revenue's personal income tax debt setoff program?

The Indiana General Assembly enacted legislation in its 2017 session to allow local governments to use the state's debt setoff program to recover unpaid local government debts. The enabling legislation is codified in the Indiana Code's *Set Off of Refunds* IC 6-8.1-9.5.

## 3. How does an agency sign up to participate?

Each agency's governing body approves its agency's participation in the AIC TRECS program. The agency's governing officials execute the MoU and participation form available on the AIC website to register for the program. Please send executed documents to Jacque Clements – [jclements@indianacounties.org](mailto:jclements@indianacounties.org).

## 4. Is a local government required to notify the debtor in writing about their intent to submit debt(s) against their tax refund?

Participating claimant agencies must inform each debtor through a written notification letter sent to the debtor's last known address of its intent to offset the debt for collection through the state's offset program should the debt remain unpaid once a match has been made. Agencies must follow notification and due process requirements as set forth in IC 6-8.1-9.5-5, IC 6-8.1-9.5-6, and IC 6-8.1-9.5-7.

If the debt remains unpaid or uncontested within the 45-days, the clearinghouse approves the offset to IDoR.

## 5. Is there any cost for participation in the AIC TRECS debt setoff clearinghouse?

No. The program is free for agencies to participate. However, an agency does need to be a member of TrustINdiana. <https://www.trustindiana.in.gov/> and the agency is responsible for the debtor notification and hearing process should there be a contestation.

## 6. Can or should a local government publicize its intent to participate in the AIC TRECS debt setoff program?

Yes, counties are encouraged to "get the word out" with press releases, websites or other means so local debtors will be aware of the potential that their tax refund may be setoff in the event of delinquent local government debts. If you would like a sample press release template, please email Jacque Clements – [jclements@indianacounties.org](mailto:jclements@indianacounties.org).

## 7. What are some of the types of debts eligible for submission by local government agencies?

Animal Violations	False Alarms	Judgments
Assessments	Fines (Library/other)	Maintenance (Lawns/trees)
Cemetery	EMS	Nuisance
Demolitions	Health	Ordinance Violations
Dental	Hydrant Usage	Parking Tickets
Environmental Health	Insurance Premiums	

Property Taxes (real, mobile-home, Agricultural)  
Privilege License

Rental/lease agreements  
Room Occupancy  
Sewer Tap

Solid Waste  
Stormwater  
Utilities

**8. Do the types of debts have to be in the above list?**

No, any certified delinquent debt owed to a unit of local government is valid.

**9. How often can a local government entity send data files (debtors/debts) to the AIC TRECS debt setoff clearinghouse?**

If there are changes or new debts, the participating entity must update their file weekly via a complete refresh. This will enable the clearinghouse to ensure the most up to date records are the IDoR, and reduces the risk of accidental offset.

**10. Does a participating agency need a debtor's social security number to submit debtors to the AIC TRECS clearinghouse?**

No, this is provided by TRECS.

**11. I have released a debtor's refund by reducing the amount-owed to zero and refreshing the file. When will this individual receive their refund?**

Within 5-7 business days.

**12. Can an agency submit debts for business owners?**

Not at this time. There may be opportunities in the future for this.

**13. What is the statutory order for debt satisfaction?**

IC 6-8.1-9.5-12 establishes priority in multiples claims to refunds allowed to be set off. Local government debts come after those of state agencies. Then priority is given to local government property taxes. Following these debts, in the case of multiple claims to refunds by participating agencies, the priority order of claims is processed on a first-request basis.

**14. How will a participating agency be able to reconcile the debts?**

A file will be generated for the agency to upload into their existing software system.

**15. How are debtors notified that their tax refund has been setoff?**

The debtor receives an official letter from the Indiana Department of Revenue listing the amount that was setoff for indebtedness to a local government and a toll-free number to call for information. Thereafter, the participating agency will receive information from the clearinghouse on successful setoffs with the money deposited into the agency's TrustINDiana account within 35 days of the payment file.

For further questions, please reach out to **Jacque Clements**, [jclements@indianacounties.org](mailto:jclements@indianacounties.org) , (317) 684-3710