

Option (8)- Use Federal Tax Refund Intercept

a) Definition:

Federal Law (Treasury Offset Program) was changed to allow state to participate in the U.S. Treasury Debt Offset Program. This would be similar to what state agencies currently participate in with the S.C. Department of Revenue. The Agency would be able to provide outstanding tax and benefit fraud overpayment data to the IRS in order to intercept Federal Income tax refunds.

b) Current Policy/Practice:

Not currently participating.

c) Other States' Practice in This Area:

No state is participating at this time pending U. S. Treasury clearance and guidelines from the U. S. Department of Labor.

d) Propose Change:

Enter into agreement for Debt Offset Intercept with U. S. Treasury.

e) Estimated Fiscal Impact on Fund Per Year:

Unknown-State Intercept Program produces approximately \$1 million annually.

f) Pros and Cons of This Change:

Pros- More money would be returned to the Trust Fund

Cons- None

g) Required Action to Implement:

Policy-MOU-U.S. Treasury

h) **Time Frame Required for Implementation:**

One to three months depending on test protocol with IRS.

i) **Impact on Agencyin Implementation:**

IT programming

j) **Agency Reommendation:**

Yes

k) **Other Comments/Consierations:**

None