

STATE OF CALIFORNIA
Franchise Tax Board

Interagency Intercept Collection

Program Overview



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IIC Objectives

- Background
- 2021 Program Statistics
- Program Eligibility
- COVID-19 Impacts
- What's Ahead and Program Support

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Background

- Began in 1975.
- Authorized by Govt. Code Sections 12419.2-3, 12419.5, 12419.7-12.
- Administered by Franchise Tax Board (FTB) on behalf of the State Controller's Office (SCO).
- Types of intercepted payments:
 - Personal Income Tax Refunds
 - Lottery Winnings
 - Unclaimed Property Disbursements

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2021 IIC Program Statistics

Calendar Year 2021 Collection Totals		
Intercept Source	Intercepts	Redirected Revenue
Personal Income Tax	22,024	\$12,753,279
Lottery Winnings	759	\$521,316
Unclaimed Property	1,650	\$496,954
Total	24,530	\$13,771,549

Calls Received	9,467
Calls Answered	8,721
% Answered	92%
Number of Staff	7



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Program Eligibility

- **State agencies**
Any type of debt.
- **Counties and cities**
Property taxes, delinquent fines, bails, and other permitted debts.
- **California colleges**
Delinquent registration, tuition, bad check fees, and other permitted debts.
- **Special districts**
Water bills, waste disposal fees, and fire inspection fees.

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Program Benefits & Cost

Benefits

- Additional revenue source
- Low cost collection alternative
- Differ from other collection services

Cost

- Approximately \$2.50 - \$3.00 per offset, fees may vary each year.
- SCO charges a fee to reimburse the administrative costs of the program.
- SCO will send bill in April/May for each successful intercept in previous year.

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How to Participate

Apply with SCO

- Initial Request to Participate (FTB 2282 PC)

Participate with FTB

1. Intent to Participate (FTB 2280 PC)
2. Vendor/Contractor Confidentiality Statement (FTB 7904)
3. Copy of your Pre-Intercept Notice

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Annual Timeline

September

- Submit all forms.
- You must mail all pre-notices to debtors.

November

- Submit the annual load file to FTB.

December

- FTB purges all current year accounts mid month.
- FTB loads all new annual accounts by end of month.

May

- SCO bills all participants for prior year services.

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Your Role and Responsibility

- Modify accounts when balances change.
- Refund debtors any overpayments.
- Provide timely customer service to debtors.
- Pay the annual Intercept Program service fee.
- Follow the confidentiality guidelines.

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Reports

Weekly Offset Reports

Separate reports for each payment type:

- Tax refunds
- Lottery winnings
- Unclaimed property

If there is no offset activity, we will not generate a report.

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COVID-19 Impacts

- IIC Program Suspension
–2021: February 22, 2021 through July 31, 2021. Child Support was the exception.
- Communicated suspension date of February 22, 2021 and resumption date of August 1, 2021, to all participating agencies.
- Agency Holds.
- IIC staff continue to teleworking/other workloads.

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What's Ahead

ID Lookup (SB75)

- Allows agencies to submit debts without SSN
- Currently 3 agencies participate and has resulted in 2,329 Intercepts and \$754,093 in revenue
- Expanding to include two more agencies in 2022
 - Application Process
 - Manual Effort

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What's Ahead Cont'd

- New 5 Digit Agency Codes
 - Expanding to a 5-digit code for all agencies
 - Impact to record layouts, file name, and SWIFT folder
 - Changes to existing business practices for Annual Load submission timeframes

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Program Support Contacts

Program staff can assist with:

- Intercept information.
- Copies of missing reports.
- Payment and billing questions.
- Your SWIFT account registration.

Client Liaison Phone: 916.845.5344
 General Call Center Phone: 1.866.563.2375
 Fax: 916.843.2460
 Email: IICgroupIncoming@ftb.ca.gov

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Questions?

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Evaluation
<p>Please provide feedback on this presentation. Complete the evaluation available here: https://www.surveymonkey.com/r/Winter2022RevDistTraining-5</p>
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