

<p style="text-align: center;"><b>STATE OF VERMONT</b> <b>AGENCY OF HUMAN SERVICES</b> <b>DEPARTMENT OF CORRECTIONS</b></p>	<p style="text-align: center;"><b>Tax Offset Appeals Procedure</b></p>		<p style="text-align: center;"><b>Page 1 of 3</b></p>						
<p style="text-align: center;"><b>CHAPTER: ADMINISTRATIVE SERVICES – GENERAL</b></p>	<p style="text-align: center;"><b>#207</b></p>	<p><b>Supersedes:</b> #341, dated 06/02/1984</p>							
<p><b>Local Procedure(s) Required:</b> No  <b>Applicability:</b> All staff (including contractors and volunteers)  <b>Security Level: “B”</b> – Anyone may have access to this document.</p>									
<p><b>Approved:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><u>SIGNED</u></td> <td style="width: 33%; border: none;"><u>10/19/2022</u></td> <td style="width: 33%; border: none;"><u>11/01/2022</u></td> </tr> <tr> <td style="border: none;">Nicholas J. Deml, Commissioner</td> <td style="border: none;">Date Signed</td> <td style="border: none;">Date Effective</td> </tr> </table>				<u>SIGNED</u>	<u>10/19/2022</u>	<u>11/01/2022</u>	Nicholas J. Deml, Commissioner	Date Signed	Date Effective
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**PURPOSE**

This policy establishes the Department of Correction’s (DOC) procedure for the tax offset appeals process.

**AUTHORITY**

Administrative Procedure Act (APA) Rule #84-21; 3 V.S.A. §§ 809 and 812; 32 V.S.A. §§ 5934 and 5936(b).

**POLICY**

The DOC is committed to efficient and effective fiscal management including the computation of debt. As such, it is the DOC’s policy to ensure that all individuals currently or previously under its custody or supervision understand the DOC’s assessment of their debt, the recovery of their outstanding debt by the tax offset process, and the administrative procedures through which they can appeal a decision about their tax offset.

## **GENERAL PROCEDURES**

### **A. Tax Offset**

When an individual incurs a debt (e.g., supervision fees) while under the DOC's custody or supervision, the DOC Financial Department may initiate a claim with the Department of Taxes (DOT) for an offset payment deducted from the individual's tax return.

### **B. Requesting a Tax Offset**

1. To request a tax offset, the DOC's Financial Department shall annually assess any debts of \$50 or more that are owed by an individual, in accordance with the policy on supervision fees, and submit, a certified letter with the following information to the DOT:
  - a. The individual's first and last name;
  - b. The individual's last known address;
  - c. The debt computation; and
  - d. The basis for the debt.
2. The DOC financial staff shall mail a notice of their request for a tax offset to the individual. The notice shall include:
  - a. The debt computation;
  - b. The basis for the debt;
  - c. Any other information relevant to the computation of their debt; and
  - d. An explanation on how an individual may appeal the debt computation.

### **C. Informal Resolution**

In cases when the individual disputes the tax offset:

1. They shall submit their disputes in writing to the DOC financial staff; and
2. The DOC financial staff shall attempt to informally resolve the disputes with the individual before initiating a formal appeals process.

### **D. Formal Appeals Process**

1. An individual may apply for a state tax offset appeals hearing if they do not reach an informal resolution with the DOC financial staff.
2. The individual shall request a formal appeals hearing within 30 days from the date the notice about the tax offset was mailed. The request for a formal appeals hearing shall include the individual's:
  - a. Written appeal;

- b. Debt computation and a request for any information that is relevant to the computation of their debt. The DOC financial staff shall provide this information to the individual prior to the appeals hearing; and
  - c. Contact information and social security number.
3. Upon receipt of the request for a formal appeals hearing, the DOC's financial staff shall forward the individual's request to the Secretary of the Agency of Human Services (AHS Secretary), or designee within 30 days.
4. The AHS Secretary, or designee, shall file the request and schedule the date, time, and place of the hearing unless the request is withdrawn by the individual.
5. The AHS Secretary, or designee, shall notify the DOC financial staff and the individual of the following:
  - a. Hearing details;
  - b. Purpose of the hearing;
  - c. Statutory and regulatory authority for the hearing;
  - d. The Vermont Administrative Rule Number; and
  - e. Statement of the contested debt.
6. The DOC financial staff and individuals who request a formal appeals hearing shall follow the hearing and discovery procedures, in accordance with the AHS Administrative Procedure Act (APA) Rule #84-21, on the hearing procedure for state tax offset appeals.
7. The AHS Secretary's, or designee, decision about an appeal shall only apply to the tax offset certified debt.

#### **E. Decisions**

The AHS Secretary, or designee, shall:

1. Determine the amount of debt, if any, owed to the DOC Financial Department within 30 days of the hearing, including any tax offset to be applied to the debt;
2. Prepare a concise explanation of their decision based on the facts and guiding law; and
3. Notify the parties of their decision by mail.

#### **F. Appeals**

An individual may appeal the AHS Secretary's, or designee, decision to the superior court of the county in which the individual resides, within 30 days of the date of the decision.