

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

**FLORINDA E ROSALES**  
Claimant

**APPEAL NO: 15A-UI-02134-DWT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE  
DEVELOPMENT DEPARTMENT**

**OC: 05/05/13**  
**Claimant: Appellant (2)**

Iowa Code 421.17 (29) – Withhold State Income Tax Refund

**PROCEDURAL STATEMENT OF THE CASE:**

The claimant appealed a representative's February 12, 2015 (reference 04) determination that informed her that a previously established overpayment would be withheld from her Iowa income tax refund. A hearing was scheduled on March 24, 2015. When the claimant did not participate at the hearing, the administrative law judge reviewed the administrative record and learned the tax hold on her Iowa income tax refund had already been released because February 17, 2014 (reference 03) determination held the claimant did owe any money to the Department. Based on the administrative record and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

Does the claimant owe any money to the Department that the Department can recoup from her 2014 Iowa income tax refund?

**FINDINGS OF FACT:**

A February 17, 2014 (reference 03) determination reduced an overpayment to zero. As of February 12, 2015 the claimant does not owe any money to the Department.

The Department made a mistake when it issued the February 12, 2015 determination informing the claimant a previously established overpayment would be withheld from her 2014 Iowa income tax refund.

**REASONING AND CONCLUSIONS OF LAW:**

Iowa Code § 421.17(29) sets forth a procedure whereby one state agency may obtain funds owed by a second state agency to an individual to apply to a debt which that same individual owes to the first state agency. 871 IAC 25.16 specifically authorizes the Iowa Workforce Development Department to withhold the state income tax refund owing to the claimant to apply to an overpayment of benefits that the same claimant owes to the Iowa Workforce Development Department so long as both amounts are at least \$50.

Since the claimant does not owe any money, the Department does not have any legal authority to withhold any money from her 2014 Iowa income tax refund.

**DECISION:**

The representative's February 12, 2015 (reference 04) determination is reversed. The claimant does not owe any money to the Department. The Department does not have any legal authority to withhold any of the claimant's 2014 Iowa income tax refund.

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Debra L. Wise  
Administrative Law Judge

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Decision Dated and Mailed

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