

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

LOREN M ALLEN
Claimant

APPEAL NO. 07A-UI-02327-HT

**ADMINISTRATIVE LAW JUDGE
DECISION**

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

**OC: 02/09/97 R: 01
Claimant: Appellant (1)**

871 IAC 25.16 – Tax Refund Offset

STATEMENT OF THE CASE:

The claimant filed an appeal from the February 26, 2007 reference 01 decision that gave notice that claimant's 2006 Iowa income tax refund was going to be withheld to apply to an overpayment of unemployment insurance benefits, which the claimant owed to Iowa Workforce Development, formerly known as Job Service. After due notice was issued, a hearing was scheduled to be held by telephone conference call on March 27, 2007. The claimant did not participate but offered testimony from Patty Allen. Exhibit A was admitted into the record.

ISSUE:

The issue is whether the claimant's Iowa income tax refund may be withheld.

FINDINGS OF FACT:

The claimant was found to be overpaid for unemployment benefits in the benefit year of 1997. That determination has become final. The state treasurer has notified the Iowa Workforce Development Department that the claimant has an Iowa income tax refund for 2006 of at least \$50.00.

The claimant maintained the debt had been paid with an offset from Iowa Lottery winnings in 2004. However, the amount offset from these winnings was only a portion and those monies went to other state agencies first and were exhausted before the debt to Iowa Workforce Development was paid.

REASONING AND CONCLUSIONS OF LAW:

Iowa Code section 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 which that same claimant owes to the Iowa

Workforce Development Department so long as both amounts are at least \$50.00. The claimant owes the Iowa Workforce Development Department \$1,151.09 in benefits he received in 1997 to which he was not entitled and he has an Iowa income tax refund of at least \$50.00. Therefore, the Iowa Workforce Development Department is legally authorized to withhold that Iowa income tax refund up to the amount of the overpayment of benefits, which the claimant owes to the Iowa Workforce Development Department.

DECISION:

The representative's decision dated February 26, 2007 reference 01 is affirmed. The Iowa Workforce Development Department has legal authority to withhold the Iowa income tax refund owed to the claimant to apply to the overpayment of benefits, which that individual owes to the Iowa Workforce Development Department.

Bonny G. Hendricksmeier
Administrative Law Judge

Decision Dated and Mailed

bgh/pjs