

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MARVIN SMITH
Claimant

APPEAL 22A-UI-10030-AW-T
ADMINISTRATIVE LAW JUDGE
DECISION

**IOWA WORKFORCE
DEVELOPMENT DEPARTMENT**

OC: 11/01/20
Claimant: Appellant (1)

Iowa Code § 96.11(16) – Tax Refund Offset

STATEMENT OF THE CASE:

Claimant filed an appeal from the April 14, 2022 (reference 10) unemployment insurance decision that allowed claimant's overpayment to be withheld from claimant's Iowa income tax refund. Claimant was properly notified of the hearing. A telephone hearing was held on June 9, 2022. Claimant participated. No exhibits were admitted. Official notice was taken of the administrative record.

ISSUE:

Whether the agency can withhold the claimant's state income tax refund to offset an established overpayment of unemployment insurance benefits.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds:

As of June 16, 2022, claimant's benefit overpayment balance is \$6,245.00. The state treasurer has notified Iowa Workforce Development (IWD) that claimant has an Iowa income tax refund for 2021 of at least \$50.00.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes:

Iowa Code § 421.17(27) via the Iowa Department of Revenue 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. Iowa Admin. Code r. 871-25.16 specifically authorizes Iowa Workforce Development to withhold the state income tax refund owing to the claimant to apply to an overpayment of benefits which that same claimant owes to Iowa Workforce Development so long as both amounts are at least \$50.00. Iowa Code § 96.11(16) allows reimbursement of setoff costs.

Claimant has an outstanding overpayment balance. Claimant has an Iowa income tax refund of at least \$50.00. Therefore, IWD is legally authorized to withhold the Iowa income tax refund up to the amount of the overpayment of benefits, plus a \$7.00 transfer fee.

DECISION:

The April 14, 2022 (reference 10) unemployment insurance decision is affirmed. IWD has legal authority to withhold claimant's Iowa income tax refund to apply to his benefit overpayment balance.



Adrienne C. Williamson
Administrative Law Judge
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June 22, 2022
Decision Dated and Mailed

acw/ACW