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| **CALSWEC-Logo-Color-Vertical-NoByline-transparent** | **CAlifornia Social Work Education Center**  University of California, Berkeley  School of Social Welfare |

**Tax Offset/Intercept Guidelines**

This Information sheet outlines the Interagency Intercept Collections (IIC) from the State of California Franchise Tax Board (FTB). The Tax Intercept is intended to be used for delinquent repayments of IV-E stipends. This program should be used when schools are not able to collect from delinquent students/graduates by the usual procedures. The Tax Intercept or IIC can be used after normal collection activities and collection agencies have been attempted and have been exhausted.

The California Department of Social Services, in conjunction with the Internal Revenue Service, the State Controller’s Office, and the Franchise Tax Board administer the federal and state Income Tax Refund Intercept Program. The Debt Collection Act of 1982 as amended (PL 97-365) authorized federal agencies to offset debts through federal wage, salary and retirement payments. The Debt Collection Improvement Act of 1996 (PL 104-134) mandated state participation in the Treasury Offset Program, which includes the Federal Tax Intercept Program and the Federal Salary Offset Program. It also expanded Federal Salary Offset Program to include Social Security payments in addition to salaries and benefits.

For complete details regarding the use of the IIC, consult the Participation Booklet: <https://www.ftb.ca.gov/forms/2011/11_2645.pdf>

Below are links to documentation and documents referred to in the book the Booklet.

* Links to Necessary Documents from “List of Forms” p. 29 of IIC Booklet:
* Initial Request to Participate: <https://www.ftb.ca.gov/forms/2011/11_2282PC.pdf>
* Intent to Participate: <https://www.ftb.ca.gov/forms/2011/11_2280PC.pdf>
* Pre-Intercept Notice: <https://www.ftb.ca.gov/forms/misc/11_2288.pdf>
* Annual Listing of Accounts: <https://www.ftb.ca.gov/forms/2011/11_2277PC.pdf>
* Modification Listing of Accounts: <https://www.ftb.ca.gov/forms/2011/11_2279PC.pdf>
* Interagency Intercept Transmittal: <https://www.ftb.ca.gov/forms/2011/11_2283.pdf>
* Interagency Intercept Collection Program Timeline: <https://www.ftb.ca.gov/forms/2011/11_2646.pdf>
* Tax Information Security Guidelines: <http://www.irs.gov/pub/irs-pdf/p1075.pdf>
* Secure Web Internet Transfer (SWIFT) Manual: <https://www.ftb.ca.gov/professionals/taxnews/swift_usrmnl.pdf>

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| **Links to Government Codes related to Interagency Intercept Collections**  From p. 5 of IIC Booklet  (Sections 12419.2, 12419.3, 12419.5, and 12419.7 authorize the IIC program.) California Government Code Section 12419.2: <http://law.onecle.com/california/government/12419.2.html>California Government Code Section 12419.3: <http://law.onecle.com/california/government/12419.3.html>California Government Code Section 12419.5: <http://law.onecle.com/california/government/12419.5.html>California Government Code Section 12419.7: <http://law.onecle.com/california/government/12419.7.html>California Government Code Section 12419.8: <http://law.onecle.com/california/government/12419.8.html>California Government Code Section 12419.9 (Most pertinent to the IV-E Education Program): <http://law.onecle.com/california/government/12419.9.html> |