



# Quarterly Report on the Status of the Collection Agency Program

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*Reporting Period: January 2017 – March 2017*

March 31, 2017

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Dear Committee Members:

The Honorable Greg Davids  
Chair House Tax Committee  
585 State Office Building

The Honorable Jim Knoblach  
Chair House Ways and Means Committee  
453 State Office Building

The Honorable  
Roger Chamberlain  
Chair Senate Tax Committee  
3225 MN Senate Office Building

The Honorable Julie Rosen  
Chair Senate Finance Committee  
3235 MN Senate Office Building

Dear Committee Members:

Minnesota Statute 270C.16 Subdivision 1 requests the Department of Revenue provide a quarterly report on the status of the Collection Agency Program.

The department's contracts with two outside collection agencies (OCAs) have expired and, at this time, they have not been renewed.

A/R Referred	OCA Collections	Commissions Paid to OCA
\$283,705,736.29	\$2,720,740.00	\$332,463.39

The OCAs had one year to attempt collection of the debts. If there was no collection activity after one year, the debts are returned to the department. Under the recent contracts, the OCAs collected about 1% of the referred debts.

The OCAs earn 15% commission on the dollars collected. Because the amount collected and the amount of the commissions paid to the OCAs are not always in the same month, there are differences in the quarterly results.

Sincerely,



Terri Steenblock  
Assistant Commissioner for Individual Taxes