

Appendix E

**New York State Department of Taxation and Finance
Statewide Offset Program**

The Statewide offset Program (SWOP) participation requirements and procedures are outlined in the following sections:

	<u>Page</u>
Section I	Creditor State Agency Participation Requirements
	A. Program Description - Overview 2
	B. Requirements Prior to Certifying Debts to the Tax Department..... 3
	1. Compliance with due Process and Notification Procedures
	2. Completion of the Opinion of Counsel Form
	3. Creditor State Agency Contact Information
	4. Magnetic Media Testing
	5. Technical Certification
	6. Summary of Requirements Prior to Certifying Debts to the Tax Department Flowchart
	C. Offset Processing 6
	1. SWOP Data Requirements
	2. Initial Tapes
	3. Update Tapes
	4. Offset Determination
	5. Reporting of Offsets
	6. Reversal of Offsets
	7. Debtor Inquiries
	8. Summary of Offset Processing Flowchart
Section II	Department of Taxation and Finance and Creditor Agency Procedures 12
Section III	SWOP Magnetic Media Formats and Specifications
	- Agency Certification to Taxation File Format 22
	- Taxation's Notification of Offset Format 24
Section IV	SWOP Participation Forms
	- Opinion of Counsel Re: Statewide Offset Program 26
	- Creditor Agency Contact Form 27
	- SWOP Magnetic Media Transmittal Form 28

Section I — Creditor State Agency Participation Requirements

This section provides a general discussion of the Tax Department's Requirements for creditor state agency participation in the Statewide Offset Program (SWOP). Formal program requirements are contained in the Department of Taxation and Finance and Creditor State Agency Procedures found in Section II of this Appendix.

A. Program Description – Overview

Section 171-f of the Tax Law, enacted by Chapter 55 of the Laws of 1992, authorizes the offset of debts owed to state agencies against tax refunds and certain other state payments. The Department of Taxation and Finance, in cooperation with the Division of the Budget and the Office of the State Comptroller, administers the Statewide Offset Program under which offsets are performed. The Division of the budget designates which creditor state agencies are required to participate in the Statewide Offset Program. Creditor state agencies designated for participation are responsible for meeting the statutory due process and notification procedures specified by the Division of the Budget as well as complying with the technical and procedural requirements specified by the Tax Department.

Once the Division of the Budget has designated a creditor state agency for participation in the Statewide Offset Program, the agency must contact the Tax Department to acquire current procedures and program documentation. The agency will be required to participate in the magnetic media testing process, provide the necessary documentation as specified in these procedures, and participate in accordance with the requirements set forth herein. As the Statewide Offset Program continues to be developed, procedures and requirements may be modified in order to accommodate changes in system design.

Exceptions to these procedures will not be permitted unless an alternative procedure is agreed upon by the Department of Taxation and Finance, the Division of the Budget, the Office of the State Comptroller and the creditor state agency.

B. Requirements Prior to Certifying Debts to the Tax Department

Prior to certifying debts to the Tax Department creditor state agencies are required to fulfill the due process and notification requirements and verify that these have been met. Additionally, agencies are required to complete a magnetic media testing process with the Tax Department to ensure that they are able to meet the program's technical requirements.

1. Compliance with Due Process and Notification Procedures

Creditor state agencies are required to fulfill the legislation's due process and notification requirements prior to certifying past due and legally enforceable debts to the Tax Department. Refer to the Division of the Budget's due process procedures and sample notification letter contained in these guidelines and the Department of Taxation and Finance Creditor Agency Procedures.

2. Completion of the Opinion of Counsel Form

Creditor state agencies are required to submit a completed *Opinion of Counsel Re: Statewide Offset Program* form to the Tax Department prior to issuing the thirty day notification letter and certifying past due and legally enforceable debts. This form is completed for each type or category of debt to be submitted. It is used to document that the creditor state agency's counsel has examined the agency's procedures and verifies that these procedures meet the statutory due process and notification requirements as specified in the Division of the Budget's Guidelines and in Section II of this Appendix - *Department of Taxation and Finance and Creditor State Agency Procedures*. Refer to Section IV of this Appendix, SWOP Participation Forms, for a copy of the *Opinion of Counsel re: Statewide Offset Program* form.

3. Creditor State Agency Contact Information

Creditor state agencies are required to provide the Tax Department with agency contact information for each type or category of debt. The creditor state agency address and telephone number is provided on the notification of offset letters sent to the debtors. In addition, agencies must provide a liaison and a technical contact for communications between agencies during the magnetic media testing process and after implementation. Refer to Section IV of this Appendix, SWOP Participation Forms, for a copy of the *Creditor State Agency Contact* form.

4. Magnetic Media Testing

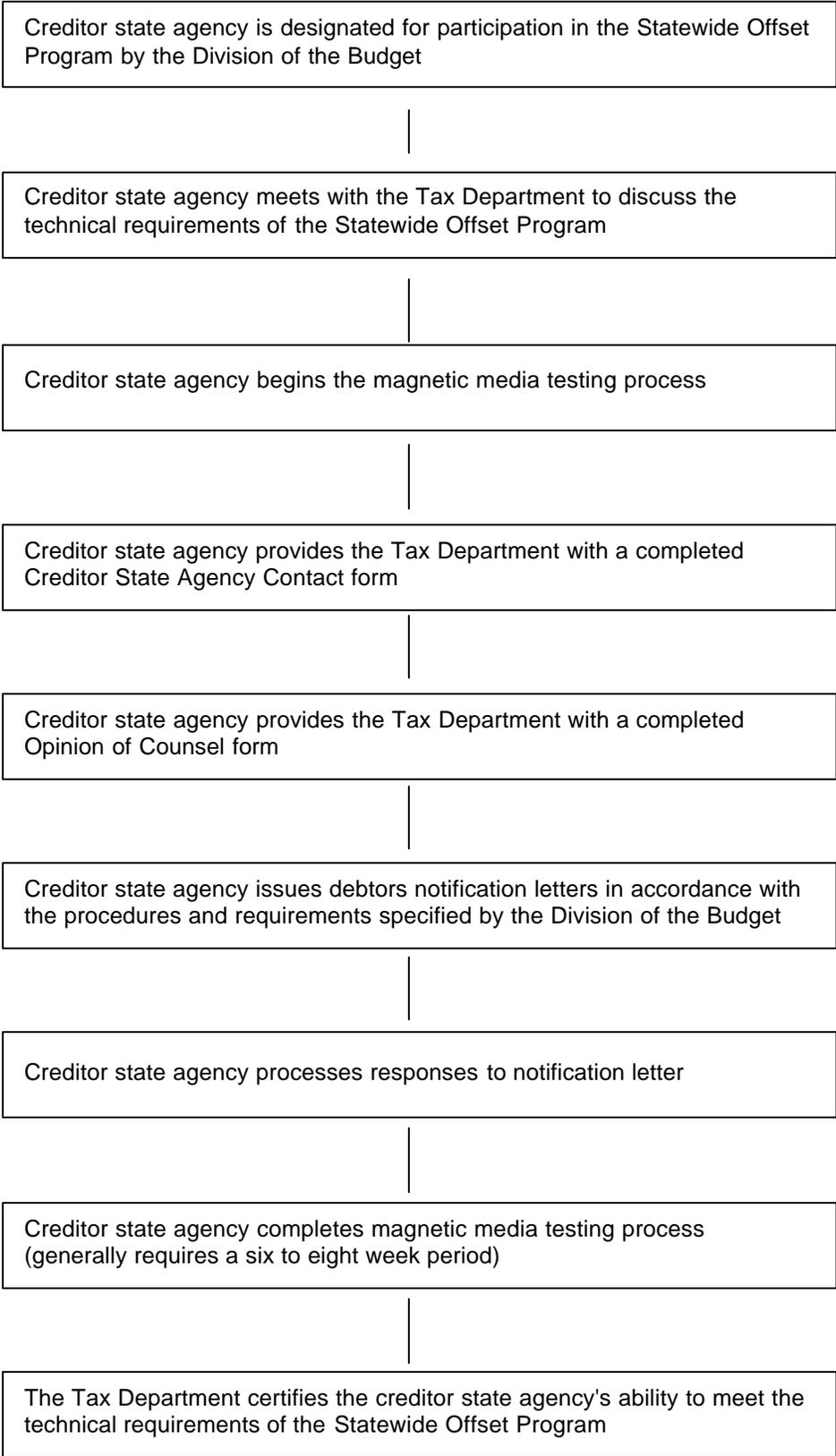
Debtor information will be exchanged between creditor state agencies and the Tax Department via the magnetic media format specified by the Tax Department.

To ensure that creditor state agencies are able to meet the technical requirements of the program, they must complete a magnetic media testing process. Generally, the testing process involves multiple exchanges of information using the specified magnetic media format to identify possible production errors or exceptions. This process will test the creditor state agency's ability to provide accurate and processable debtor case additions, modifications, and deletions to the Tax Department. In addition, this process tests the agency's ability to process the Tax Department's monthly report of offsets and offset reversals, as well as error condition reports.

5. Technical Certification

Creditor state agencies may begin participation subject to an initial state date to be determined by Taxation and Finance. Participation will be subject to the Department's certification of the creditor state agency's ability to properly transmit data via magnetic media.

Requirements Prior to Certifying Debts to the Tax Department



C. Offset Processing

After completion of the magnetic media testing process, creditor state agencies may begin SWOP participation by providing the Tax Department with an initial tape containing past due and legally enforceable debts. These debts will be added to the SWOP database and become available for offset. The Tax Department or other state paying authority (e.g., The Office of the State Comptroller) will notify debtors when an offset has been performed. The Tax Department will provide the creditor state agency with a monthly tape of offsets, or reversals to previous offsets, performed during the prior month. Based on offsets and reversals contained on the monthly update tape, the Tax Department will direct the Office of the State Comptroller to deposit funds into the Revenue Arrearage Account or other designated account. At periodic intervals, preferably on a monthly basis, creditor state agencies must provide the Tax Department with an update tape deleting and/or modifying existing debts and adding new debts as required.

1. SWOP Data Requirements

Creditor state agencies are required to properly use the magnetic media specifications as specified by the Tax Department and to provide complete and accurate information in order to certify past due and legally enforceable debts to the Tax Department. Refer to Section III of this Appendix - *SWOP Magnetic Media Formats and Specifications*. Tapes not meeting the requirements will be rejected and returned to the agency for correction of error conditions prior to resubmission. Each tape submitted must be accompanied by a completed magnetic media transmittal form certifying that the debts are past due and legally enforceable. Refer to Section IV of this Appendix for a copy of the *SWOP Magnetic Media Transmittal* form.

The offset process requires the creditor state agency to provide the following information for each debt:

- Agency Code (agency identification number as assigned by the Office of the State Comptroller in the state accounting procedures)
- Program Code (assigned by the creditor state agency to identify each Account Receivable source within the agency)
- Identification number
 - o Social Security Number (SSN) for individuals
 - o Employer's Identification Number (EIN) for business
- Business versus Personal ID indicator ("B" vs. "P")
- Case Number (a unique number assigned by the creditor state agency to each debt)
- Name
 - o Last Name, First Name for individuals
 - o Legal Name for businesses
- Address (Street, City, State, ZIP)
- Amount of Debt (The amount of the debt may include principal, a late payment charge or interest, collection fees and return check charges. To be collectable by offset, such amounts, other than interest or late payment changes, must themselves qualify as past

due legally enforceable debts (i.e., they must meet the requirements of Tax Law section 171-f (3)). Those amounts of collection fees and returned check charges which are past due legally enforceable debts may be part of the debt certified for collection by offset, or may be certified for collection separately as past due legally enforceable debts. Refer to the Division of the Budget Guidelines for the computation of the debt amount.)

- Debt Date (date on which the debt became past due and legally enforceable)
- Record Type ("A" Add, "M" Modify, "D" Delete)
- Agency Certification Date (date on which the magnetic tape was certified to the Tax Department)

If a creditor state agency does not have complete information, the agency is required to investigate other data sources which may provide the proper data. Due to statutory secrecy provisions the Tax Department cannot provide debtor information to creditor state agencies. Information provided by the creditor state agency for each debt must be complete or the record will be rejected.

The minimum value of a debt to be certified to the Tax Department is \$25. The Tax Department will perform a refund offset if the tax refund exceeds \$25, or a contract payment offset if both the contract payment and the debt exceed \$500.

2. *Initial Tapes*

The initial certification of past due and legally enforceable debts will create the creditor state agency's debt file on the SWOP system. Subsequent submissions will amend the original file by adding new past due and legally enforceable debts, modifying existing debt information or deleting existing debts. Debts remain on the SWOP system until they are fully offset or are deleted by the creditor agency. The Tax Department will provide creditor state agencies with reports identifying aged debts.

To prevent over-collection, certified debts should exclude any debts currently subject to offset under an existing tax offset program and debts which have been forwarded to the Department of Law (Attorney General). In addition, as specified in the Division of the Budget's guidelines, certain types of debts or debts associated with certain types of debtors should not be certified for offset. For example, debts owed by local governments or other state agencies or authorities should be excluded from the program. Further, grants and allowances of public assistance pursuant to section 131-a, 131-s, 301 and 350-j of the Social Services Law are not subject to offset for purposes of collecting past due legally enforceable debts, nor may overpayments of such grants and allowances be collected as past due legally enforceable debts under this program.

All certifications of debts must be accompanied by a properly completed *SWOP Magnetic Media Transmittal* form certifying that the debts are past due and legally enforceable. Refer to Section IV, Participation Forms, for a copy of the *SWOP Magnetic Media Transmittal* form.

3. *Update Tapes*

In order to properly maintain each agency's file on the Tax Department's SWOP database, creditor state agencies are required to provide update tapes including add/delete/modify transactions. The add transaction permits the certification of new past due and legally enforceable debts onto the SWOP database. The modify transaction enables the creditor state agency to adjust the debt balance to reflect payments that have been received and additional interest or penalties that have accrued. The creditor state agency is not required to provide a modify transaction to adjust a debt balance as a result of an offset or adjustment performed by the Tax Department. However, any subsequent update transaction should reflect the actual balance of the debt including offsets or adjustments. The delete transaction removes a debt from the SWOP database, permitting the creditor state agency to de-certify debts which have been fully paid or are being pursued via alternative collection methods.

In general, update tapes should be provided on a monthly basis in order to properly maintain debts certified to the Tax Department. The frequency of providing update tapes will be determined by the Tax Department and the creditor state agency.

A completed magnetic media transmittal form must be provided with all certification of past due and legally enforceable debts. Refer to Section IV, Participation Forms, for a copy of the *SWOP Magnetic Media Transmittal* form.

4. *Offset Determination*

The Tax Department will match debts certified by the creditor state agencies to pending Personal Income Tax, Corporation Tax, Business Corporation, Banking Corporation and Insurance Corporation Franchise Tax refunds and certain other payments due from the state. Offsets of Personal Income Tax refunds require the director's social security number and last name to match to the refund. Offsets of all other sources require the employer identification number and a complete business name and address.

A payment or refund due an individual will be offset based upon the following priority order:

1. State and certain local tax liabilities
2. Debts submitted under Section 171-c of the Tax Law
Department of Social Services - Support Payment Debts
3. Debts submitted under Section 171-e of the Tax Law
State and City Universities of New York - Student Loan Debts
4. Debts submitted under Section 171-f of the Tax Law
Creditor State Agency Debts, ordered by the date on which the debt became past-due and legally enforceable, oldest debt receives the first priority
5. Debts submitted under Section 171-d of the Tax Law
Higher Education Services Corporation - Student Loan Debts
6. Internal Revenue Service - Federal Tax Liabilities

5. *Reporting of Offsets*

The Tax Department or the paying authority (e.g., the Office of the State Comptroller) will notify the debtor of the amount(s) offset and the agency (ies) for which the offset was performed. The notification will direct the debtor to contact the creditor state agency (ies) for the purposes of debt inquiry or error resolution.

Each month the Tax Department will provide creditor state agencies with a report of offsets and reversals performed during the previous month, permitting creditor state agencies to adjust debt balances accordingly. The information provided to the agency will include the original debtor identification information as provided by the creditor state agency, the amount offset and the date of the offset. Since the notification of an offset does not contain current debt balance information, the creditor state agency should provide the debtor with an updated statement of the account after they are notified of an offset by the Tax Department.

At the same time creditor state agencies are provided with monthly tapes of offsets, the Tax Department will submit to the Office of the State Comptroller the amounts to be deposited into the Revenue Arrearage Account and other designated accounts. The Tax Department will be reimbursed for performing offsets and adjustments from the Revenue Arrearage Account or other designated account in accordance with transaction rates prescribed by the Division of the Budget.

6. *Reversal of Offsets*

Circumstances will arise during the course of the offset program which will require adjustments to offsets previously reported to the creditor state agency. A reversal may result from a Non-Obligated Spouse (NOBS) adjustment or an erroneous offset.

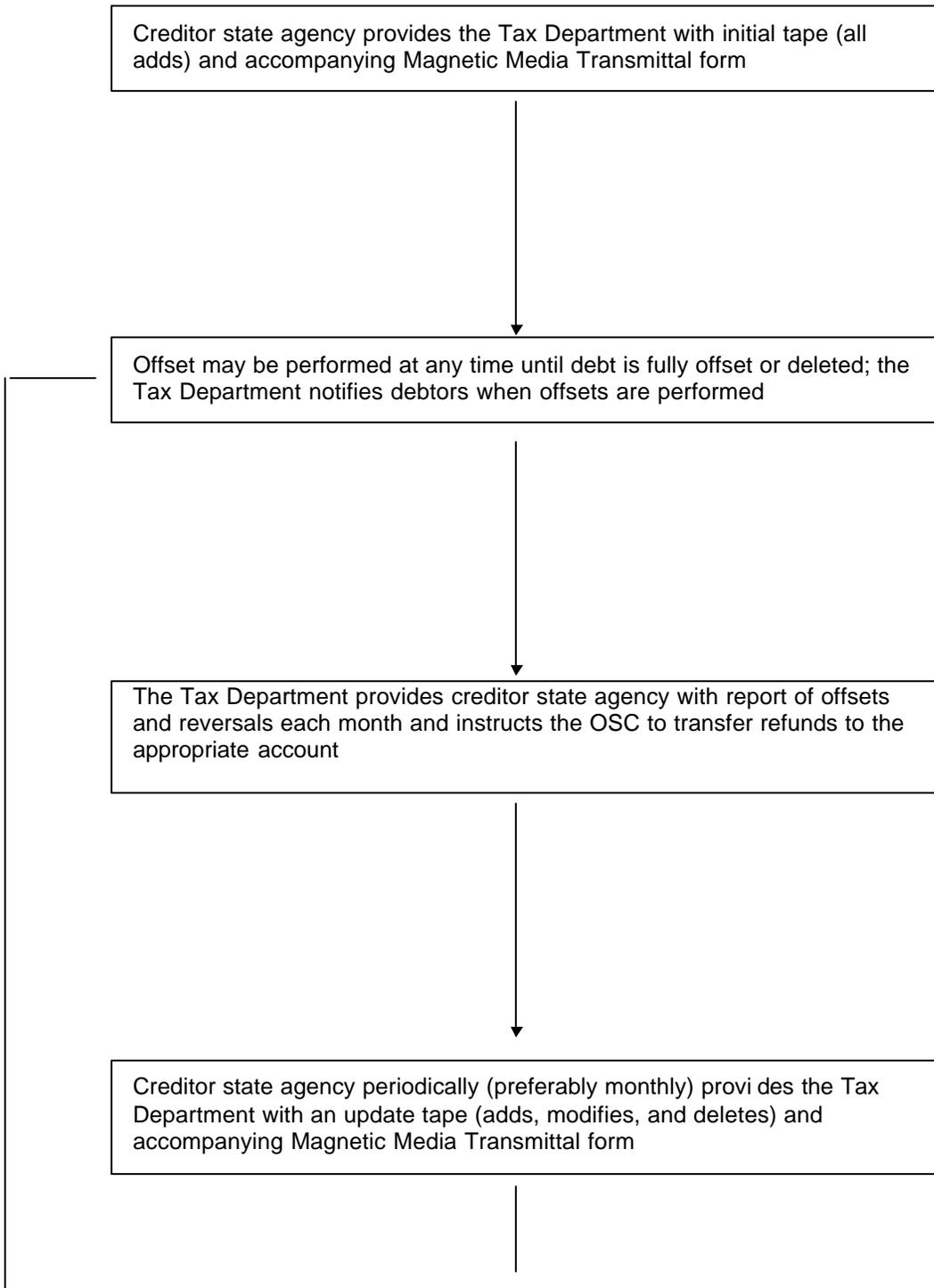
NOBS reversals occur when a Personal Income Tax overpayment relating to a joint tax return is offset for one spouse's debt and part of the overpayment is attributable to the other (non-obligated) spouse. The Tax Department notifies individuals filing joint returns that they may request their share of the refund by filing Form IT-280, *Non-obligated Spouse Allocation*, with the Tax Department within ten days of offset notification. The Tax Department computes the non-obligated spouse's share of the overpayment based upon the information provided on Form IT-280 and adjusts the offset as appropriate, refunding the non--obligated spouse's share. This results in a reallocation of the overpayment, which may result in an adjustment to the amount offset. Creditor state agencies will be advised of NOBS adjustments on the monthly tape report of offsets and on a paper listing report.

In the event of an erroneous offset, the creditor state agency will be responsible for correcting the error. The Tax Department directs debtor inquiries to the creditor agency to resolve erroneous offsets. An example of an erroneous offset would include the instance where a debtor made a payment toward a debt at the same time an offset was performed. Reversal procedures are provided by the Office of the State Comptroller and are outlined in the Division of the Budget's guidelines.

7. Debtor Inquiries

All debtor inquiries, except for Non-Obligated Spouse adjustments, are to be directed to the creditor state agency. Offset notifications will instruct debtors to contact the creditor state agency at the address or telephone number provided on the SWOP Contact form.

Summary of Offset Processing



Section I — Department of Taxation and Finance and Creditor State Agency Procedures

Procedures for Offset of Past-Due Legally Enforceable Debts

Subdivision 27 of section 171 and subdivision 2 of section 171-f of the Tax Law require the Commissioner of Taxation and Finance ("Taxation") to set forth (1) procedures for crediting any overpayment by a corporation, association, company, partnership, estate, trust, liquidator, fiduciary or other entity or individual, (hereinafter "taxpayer") of State personal income tax, New York City income tax on residents or earnings tax on nonresidents or City of Yonkers income tax surcharge or earnings tax on nonresidents, corporation tax, the business corporation, banking corporation and insurance corporation franchise taxes, and the interest on such overpayments, and (2) procedures for crediting the payment of state money to any corporation, association, company, partnership, estate, trust liquidator, fiduciary or other entity or individual, (hereinafter "claimant") against the amount of any past-due legally enforceable debt owed by such taxpayer or claimant to a State agency.

1. Application of Procedures.

These Procedures shall apply only to past-due legally enforceable debts as defined by section 171-f(3) of the Tax Law.

2. Notice to Taxation.

The Creditor Agency will notify Taxation of each past-due legally enforceable debt due it and of the amounts of such debts, the names and social security account numbers and/or employer identification numbers, of each taxpayer or claimant owing it such a debt. The value of the debt

certified to Taxation must be computed in accordance with the due process and notification procedures and requirements as prescribed by the Division of the Budget. The amount may include any applicable interest or late payment charge. However, only those returned check charges or collection fees which are themselves past-due legally enforceable debts may be collected by offset under section 171-f or section 171(27) of the Tax Law. The Creditor Agency agrees that it will only notify Taxation of such taxpayers or claimants whose outstanding legally enforceable debts equal or exceed \$25. The Creditor Agency shall provide Taxation with a notification updating such information by adding, modifying or deleting cases. Updated debt amounts should include any debtor payment, updated penalties, interest, late fees, returned check charges or collection fees. The timing and frequency of providing update information will be determined by Taxation and will preferably be done on a monthly basis. Taxation will process such information on or before the 10th working day after receiving such notification. The Commissioner or other head of the Creditor Agency or his delegate shall certify that all such information provided shall be provided by the Creditor Agency in accordance with electronic data processing specifications provided by Taxation.

3. Notice to Debtors.

a. The Creditor Agency will give written notice to each debtor who it intends to certify to taxation as a person or business who owes a legally

enforceable debt, at least 35 days prior to such certification. Such notification shall instruct the debtor to direct all inquiries to the Creditor Agency. The Creditor Agency shall inform each debtor that any refund due such person by reason of an overpayment of State income tax or New York City or City of Yonkers income tax or earnings tax, or corporation tax, or business corporation, banking corporation or insurance corporation franchise tax, plus interest due thereon will be offset, rather than paid to such person or business, up to the amount of such legally enforceable debt.

The notice to the taxpayer or claimant shall also set forth possible defenses which may be available against a proposed offset and the manner in which a review of the debt may be obtained. Refer to the due process requirements and procedures provided by the Division of the Budget.

b. Taxation shall notify, in writing, each taxpayer who has made an overpayment of tax of the amount of such overpayment and interest thereon which is certified by Taxation to the Comptroller to be credited against the amount of an outstanding past-due legally enforceable debt and the Comptroller or paying authority shall notify, in writing, each claimant seeking payment of State money which is certified by Taxation to the Comptroller to be credited against the amount of an outstanding past-due legally enforceable debt. Such notification to taxpayer and claimants

shall identify the State Agency to which the debt was owed and shall instruct the taxpayer or claimant to refer all questions concerning the offset of their tax refund or State payment to the Creditor Agency. For offsets of State income tax or New York City or City of Yonkers income tax or earnings tax such notification shall advise the taxpayer to file form IT-280, Non-Obligated Spouse Application, within 10 days of receipt of such notification if he/she filed a joint return and is a non-obligated spouse and wishes to seek his/her share of the offset refund.

4. Taxpayer and Claimant Inquiries.

It is the responsibility of the Creditor Agency to reply to all taxpayer's and claimant's inquiries received by the Creditor Agency, the Comptroller, Taxation, or other paying authority which relate to the crediting of tax refunds or payments of State money against past-due legally enforceable debts due the Creditor Agency, the certification to Taxation of taxpayers and claimants as persons who owe past-due legally enforceable debts, or any other inquiry relating to outstanding past-due legally enforceable debts.

5. Erroneous Payment.

The Creditor Agency will follow procedures established by the Office of the State Comptroller to ensure that any taxpayer whose tax overpayment, including interest, or claimant whose payment of State money, or any part thereof, is offset in error to the Revenue Arrearage Account or other designated account, will be reimbursed the amount erroneously offset by the Creditor Agency from the Revenue Arrearage Account or other

designated account. Such procedures shall provide that the Creditor Agency shall, within 60 days of the receipt of an inquiry from Taxation or from the taxpayer or claimant, make a determination as to whether an erroneous offset was made. Any amounts determined to be due to the taxpayer or claimant shall be submitted to the State Comptroller for payment within 10 days of such determination by Creditor Agency.

6. Taxation Held Harmless.

The Creditor Agency understands that in accordance with section 171(27) and 171-f of the Tax Law, Taxation shall be relieved from liability in any and all actions or proceedings commenced by taxpayers and claimants for illegal or wrongful withholding of refunds or payments of State money due and for any costs incurred pursuant to a final order of a New York State court which relates to Taxation's crediting of overpayments of New York State income tax or New York City or City of Yonkers income tax or earnings tax, corporation tax, the business corporation, banking corporation or insurance corporation franchise tax, and interest thereon, or other payments of State money against past-due legally enforceable debts.

7. Certification to Comptroller.

Taxation shall compare the information provided to it by the Creditor Agency pursuant to paragraph two of these Procedures with its own records of taxpayers who have overpaid State personal income tax, or New York City or City of Yonkers income tax or earnings tax, corporation tax, the business corporation, banking corporation or insurance

corporation franchise tax, and the interest on such overpayments, and claimants owed State money, and Taxation agrees that it will certify to the State Comptroller each month the amount of overpayments of State income tax, New York City income tax or earnings tax or City of Yonkers income tax surcharge or earnings tax, corporation tax, business corporation, banking corporation or insurance corporation franchise tax, and interest due thereon, and payment of State money to be credited against past-due legally enforceable debts, as provided for in subdivision six of section 171-f of the Tax Law. However, if any taxpayer's refund together with interest thereon, totals less than \$25, or if any claimant's payment totals less than \$500 or an agreed-to minimum, Taxation will not be required to offset such amounts.

Taxation will also certify to the State Comptroller each month the amounts of offset overpayments that have been reversed by non-obligated spouse allocations and reimbursements due Taxation from the Revenue Arrearage Account or other designated account.

8. Annual Listing.

Taxation each year will provide the Creditor Agency with a listing of the names and social security numbers and/or employee identification numbers provided by the Creditor Agency pursuant to paragraph two of these Procedures which do not match the names of the taxpayers reporting such social security numbers and/or employee identification numbers on personal income tax, or corporation tax or business corporation, banking corporation or insurance corporation franchise tax returns.

9. Amended Returns/Audits.

In the event that a Federal or State audit or the filing of an amended return by a taxpayer results in an increase in a taxpayer's income tax, city earnings tax, or corporation tax or business corporation, banking corporation or insurance corporation franchise tax liability, which reduces or eliminates the amount of his tax refund subsequent to its being offset against his liability for past-due legally enforceable debts. Taxation will not seek to recover amounts paid to the Revenue Arrearage Account or other designated account, but will proceed to assess the taxpayer for such additional amounts.

10. Notification to Creditor Agencies.

The Creditor Agency will be responsible for updating the information provided to Taxation pursuant to paragraph two of these Procedures by adding, modifying or deleting cases. Taxation will provide the Creditor Agency with monthly tapes of offsets made. The Creditor Agency must process such tapes prior to providing Taxation with update information. Update tapes provided to Taxation must include update information provided to the Creditor Agency by Taxation. Update tapes provided by the Creditor Agency to Taxation should not reflect debt balance modifications resulting from offsets or reversals performed by Taxation. This information must be provided by the Creditor Agency in accordance with electronic data processing specifications provided by Taxation.

11. Crediting of Moneys.

Taxation will not make any direct payments to the Creditor Agency

pursuant to these Procedures, but Taxation will certify to the State Comptroller each month the total amounts of overpayments and interest on such overpayments, and payments of State money as provided in subdivision six of section 171-f of the Tax Law. Except as provided in subdivision two of section 91-a of the State Finance Law, such funds will be certified to the Revenue Arrearage Account. Funds not certified to the Revenue Arrearage Account pursuant to subdivision two of section 91-a of the State Finance Law will be credited to the State Comptroller. For funds not certified to the Revenue Arrearage Account pursuant to section 91-a of the State Finance Law, payments to the Creditor Agency will be made by the State Comptroller.

12. Confidentiality of Information.

Taxation and the Creditor Agency shall keep all information submitted pursuant to section 171-f of the Tax Law confidential, except to the extent such information is permitted to be disclosed pursuant to subsection (e) of section 697, section 171-f and section 1332 and 1342 of the Tax Law and section T46-197.0(e) of the New York City Administrative Code. If any statistical tabulation compiled by the Creditor Agency is based, in whole or in part, upon information received from Taxation, such statistical tabulation shall, if published, be in a form so as to preserve the confidentiality of the information received from Taxation and will be prepared and released in conformity with Taxation guidance on the release of statistical information.

13. Non-Obligated Spouse's Share of Refunds.

A taxpayer qualifies as a non-obligated spouse if he/she had income that is reported on a joint income tax return, or he/she is going to file a joint claim for the real property tax credit payment, is not obligated for the debt of his/her spouse, and does not want to apply his/her part of the joint refund or real property tax credit payment to a debt owed solely by his/her spouse.

Form IT-280, Non-Obligated Spouse Allocation, must be submitted by the non-obligated spouse to Taxation in order for his/her portion of the refund to be either not offset or refunded after offset. Form IT-280 is either submitted with the joint personal income tax return or it is filed within 10 days of receiving notice that the offset has been made.

IT-280 submitted with return:

Taxation will not offset the non-obligated spouse's share of the refund.

IT-280 filed after offset made:

When an offset is made, Taxation will notify the non-obligated spouse that, to recover his/her share of the refund, he/she must file Form IT-280 within 10 days of notification of the non-obligated spouse by Taxation that a set off has been made. If Form IT-280 is timely filed by the non-obligated spouse, Taxation shall apportion the overpayment and refund the part thereof attributable to the non-obligated spouse by notifying the State Comptroller to pay the non-obligated spouse the amount of the overpayment which is due to the non-obligated spouse. Taxation shall notify Creditor Agencies of such adjusted amounts.

14. Notification of Delays.

Taxation and the Creditor Agency shall inform each other of problems, delays and adverse conditions which will materially impair their ability to obtain the objectives of these Procedures as soon as the problems, delays or adverse conditions become known.

Section III - SWOP Magnetic Media Formats and Specifications

Agency Certification to Taxation File Format Transaction Record

ITEM	DATA ELEMENT	START	END	PIC	DESCRIPTION
1	AGENCY-CODE	1	5	X(5)	Code supplied by DTF to represent agency
2	PROGRAM-CODE	6	10	X(5)	Code supplied by DTF to represent the program within the agency
3	ID-EIN-SSN	11	19	X(9)	Social Security Number of individual or Employer Identification Number of organization
4	ID-INDICATOR	20	20	X(1)	"P" for SSN, "B" for EIN, "U" for unknown, "E" for exempt
5	CASE-NUMBER	21	35	X(15)	Control number for other agency processing
6	DEBT-DATE	36	41	9(6)	Date debt became leally enforceable YYMMDD
7	DEBT-AMOUNT	42	51	9(8)V99	Current agency balance for debt
8	RECORD-TYPE	52	52	X(1)	"A" add transaction, "M" modify transaction, "D" delete transaction
9	AGENCY-CERT-DATE	53	58	9(6)	Date the debt is certified to DTF YYMMDD
10	NAME-1	59	98	X(40)	Name of Debtor
					REDEFINITION
	LAST-NAME	59	78	X(20)	Individual last name
	FIRST-NAME	79	98	X(20)	Individual first name
					REDEFINITION
	BUS-NAME	59	98	X(40)	Legal name for business
11	NAME-2	99	138	X(40)	If Sole Proprietorship, NAME-1 is DBA and NAME-2 is owner name
					REDEFINITION
	LAST-NAME	99	118	X(20)	Owner's last name
	FIRST-NAME	119	138	X(20)	Owner's first name
12	ADDR-LN-1	139	168	X(30)	Address line one
13	ADDR-LN-2	169	198	X(30)	Address line two
14	CITY	199	218	X(20)	City
15	STATE	219	220	X(2)	State Abbreviation
16	ZIP-CODE	221	229	X(9)	Zip Code
17	COUNTY-CODE	230	232	X(3)	County code (if applicable to agency)
18	FILLER	233	250	X(18)	Value spaces (not to be used by agency)

Hash Record

ITEM	DATA ELEMENT	START	END	PIC	DESCRIPTION
1	AGENCY-CODE	1	5	X(5)	Supplied by DTF
2	RECORD-COUNT	6	13	9(8)	Total count of all records in file
3	TOTAL-AMOUNT	14	27	9(12)V99)	Summation of DEBT-AMOUNT fields for all records in file
4	FILLER	28	51	X(24)	Value spaces (not to be used by agency)
5	RECORD-TYPE	52	52	X(1)	"H" hash record
6	AGENCY-CERT-DATE	53	58	9(6)	Date the file is certified to DTF YYMMDD
7	FILLER	59	250	X(192)	Value spaces (not to be used by agency)

Taxation's Notification of Offset Format
Offset Notification Record

ITEM	DATA ELEMENT	START	END	PIC	DESCRIPTION
1	AGENCY-CODE	1	5	X(5)	Code supplied by DTF to represent agency
2	PROGRAM-CODE	6	10	X(5)	Code supplied by DTF to represent the program within the agency
3	ID-EIN-SSN	11	19	X(9)	Social Security Number of individual or Employer Identification Number of organization
4	CASE-NUMBER	20	34	X(15)	Control number for other agency processing
5	DEBT-DATE	35	40	9(6)	Legal date of the agency debt YYMMDD
6	AGNCY-NAME-1	41	80	X(40)	Name of Debtor
					REDEFINITION OF AGENCY-NAME-1
	LAST-NAME	41	60	X(20)	Individual last name
	FIRST-NAME	61	80	X(20)	Individual first name
	BUS-NAME	41	80	X(40)	Legal name for business
					*** DEBT BALANCE FIELDS ***
7	DEBT-CURR-BALANCE	81	91	S9(9)v99	End of month balance for debt
8	DEBT-TOTAL-OFFSETS	92	102	S9(9)v99	Total offset amount applied to the debt to date
9	DEBT-MONTHLY-OFFSETS	103	113	S9(9)v99	Total offset amount applied this certification period to the debt
					*** OFFSET INFORMATION ***
10	CERT-OFFSET-AMOUNT	114	124	S9(9)v99	Amount of this offset applied to the debt
11	CERT-RECORD-TYPE	125	125	X(1)	"O" positive offset, "R" negative reversal
12	DELETED-DEBT-RVRSL	126	126	X(1)	"Y" indicates the offset reversal occurred on a debt which was previously deleted by the agency
13	SUSPEND-DEBT-RVRSL	127	127	X(1)	"Y" indicates the offset reversal occurred on a debt which was suspended by the agency
14	INACTIVE-DEBT-RVRSL	128	128	X(1)	"Y" indicates the offset reversal occurred on a debt which was inactive (an invalid agency modification record which would have resulted in a negative balance was previously rejected for this debt)
15	OFFSET-ROD-NUMBER	129	142	X(14)	Offset tracking number from offset-system
15	OFFSET-ROD-DUP-SEQ	143	144	9(2)	Offset rod duplicate sequence number
16	OFFSET-SOURCE	143	149	X(5)	DTF assigned code to identify the source of the offset money
17	OFFSET-NAME	150	189	X(40)	Name of person who was targeted to receive offset money
18	COUNTY-CODE	190	192	X(3)	County Code which was sent by agency
19	OFFSET-DATE	193	198	X(6)	Date offset was posted
20	FILLER	199	250	X(52)	Spaces

Hash Record

ITEM	DATA ELEMENT	START	END	PIC	DESCRIPTION
1	AGENCY-CODE	1	5	X(5)	Code supplied by DTF to represent agency
2	RECORD-COUNT	6	13	9(8)	Total count of records in the file
3	CERT-TOTAL-AMOUNT	14	27	S9(12)v99	Total offset amount
4	CERT-DATE	28	33	9(6)	Date certification file is created
5	FILLER	34	124	X(91)	Spaces
6	CERT-RECORD-TYPE	125	125	X(1)	"H" indicates hash record
	FILLER	126	250	X(125)	Spaces

Section IV - SWOP Participation Forms

Opinion of Counsel Re: Statewide Offset Program

State of New York

(name of agency)

In accordance with section 171-f of the Tax Law, the above referred-to State agency will certify one or more types of debts as past-due legally enforceable debts to the Department of Taxation and Finance for collection by means of setting off tax overpayments, or other payments due from the State, against such debts. Based upon my examination of the procedures that this State agency uses to establish each category of debt to be certified for collection under section 171-f of the Tax Law, it is my opinion that such procedures meet the requirements of Tax Law section 171-f(3) (a) or (b) for establishing past-due legally enforceable debts with respect to each such type of debt to be so certified.

Counsel

Title

Date

Provide a completed copy of this form to:

**Director of Detection, Enforcement and Recovery
Room 915, Building 8
NYS Tax Department
W. A. Harriman Campus
Albany, NY 12227**

Statewide Offset Program Creditor State Agency - Contact Form

Facilitate efficient communication during the course of the program, please provide the following information. A separate sheet should be completed for each different type of debts (i.e., Program Code) that will be provided to the Department of Taxation and Finance.

1. Creditor State Agency Name: _____
2. Agency Code: _____
Enter your agency's five digit identification number as assigned by the Office of the State Comptroller in the State accounting procedures.
3. Program Code: _____ Description of Program, Code: _____
Enter a one to five digit code to designate the Accounts Receivable Source, this code will be used in each magnetic media transmission to identify the A/R source.
4. Number of Debts: _____
Enter an estimate of the number of debts that may be initially certified to the Tax Department.
5. Creditor Agency Contact
Enter the name and address of the person to be contacted by the Tax Department for inter-agency communications.

Name: _____
 Title: _____
 Inter-Office: _____
 mailing address: _____

 Phone: _____
 Fax: _____

Submit the completed form to:

Director of Detection, Enforcement and Recovery
 Room 915, Building 8
 NYS Tax Department
 W. A. Harriman Campus
 Albany, NY 12227

For questions regarding the procedures and requirements of the Statewide Offset Program:

Phone: (518) 457-4372
 Fax: (518) 437-8218

6. Creditor Agency Technical Contact
Enter the name and address of the person who should be contacted for technical issues or problems.

Name: _____
 Title: _____
 Inter-Office: _____
 mailing address: _____

 Phone: _____
 Fax: _____

7. Individual to Receive the Tax Department's Update Tapes
Enter the name and address of the individual who should receive the monthly update tapes from the Tax Department.

Name: _____
 Title: _____
 Inter-Office: _____
 mailing address: _____

 Phone: _____
 Fax: _____

8. Creditor Contact for Debtor Inquiries
Enter the contact address for debtor inquiries, this address will appear on the notification of offers sent to the debtor.

Name: _____
 Title: _____
 Inter-Office: _____
 mailing address: _____

 Phone: _____
 Fax: _____

SWOP Magnetic Media Transmittal

Certification to the Department of Taxation and Finance

The undersigned hereby certifies on behalf of the _____
(*creditor state agency*), as provided for in Tax law Section 171-f (3) (d),
that the debts forwarded herewith for collection by offset are "past-due
legally enforceable debts" as defined in Tax Law Section 171-f (3).

Authorized Signature

Title

Date

*Provide a copy of this form with each submission of past due and legally
enforceable debts to the Department of Taxation and Finance. Production tapes
should be submitted to:*

SWOP Offset Program
Control Unit - Room 203
Building 8
NYS Tax Department
W.A. Harriman Campus
Albany, NY 12227

*Note: creditor state agencies are required to contact the Tax Department prior
to submitting tapes for the magnetic media testing process. Test tapes should
not be submitted to the above address.*