

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100031	Delinquent Tax - Common Questions

State of Wisconsin
Department of Revenue

Delinquent Tax

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

1. When does a tax amount due become "delinquent"?
2. Are there additional costs that may be added if a tax liability becomes delinquent?
3. How do I pay?
4. How do I request a payment plan to pay my taxes?
5. What is a wage attachment?
6. What is a bank levy?
7. What is a tax warrant and when does the department file a tax warrant?
8. What is a partial release of warrant?
9. Why does a credit bureau show a tax warrant is open and outstanding after my delinquent tax is paid?
10. How does a divorce decree affect my tax debt?
11. What address do I use for the Wisconsin Department of Revenue for my bankruptcy creditor mailing list?
12. What is the Delinquent Taxpayers Internet Posting?

1. When does a tax amount due become "delinquent"?

The Wisconsin Department of Revenue (DOR) considers a tax "delinquent" when the due date of an assessment has passed, and any statutory appeal rights have expired. Once delinquent, the debt is subject to collection action.

To avoid collection action, pay the liability immediately or, if unable to pay in full, contact the DOR to request assistance in resolving your balance.

By Mail:	In Person:	By Email:	By Telephone:
Wisconsin Department of Revenue PO Box 8901 Madison, WI 53708-8901	(or for Overnight Delivery) Wisconsin Department of Revenue 2135 Rimrock Road Madison, WI 53713	DORCompliance@wisconsin.gov	(608) 266- 7879 (7:45 a.m. - 4:30 p.m. weekdays)

When requesting information regarding a delinquent account, please provide the following information:

- The name and mailing address of the debtor.
- A telephone number where you may be contacted between the hours of 7:45 a.m. and 4:30 p.m. CST.
- A social security number (SSN), federal employer identification number (FEIN), or account number from a Department of Revenue notice.
- Copies of all supporting documentation or records related to your inquiry.

2. Are there additional costs that may be added if a tax liability becomes delinquent?

Yes, any of the following may be added:

- A delinquent tax collection fee is added to the total amount due when it becomes delinquent. The fee is the greater of 6 1/2% of the amount due or \$35.
- Interest at the rate of 18% per year is charged on the balance of tax due.
- If you enter into a payment plan with the department to pay your delinquent taxes in installments, a \$20 payment plan fee is charged.
- Expenses incurred with any legal collection actions taken by the department are added to the amount due. Some examples of expenses are lien fees, garnishment fees, supplemental hearing fees, and other court costs.

3. How do I pay?

Make a payment using any of the following options:

- Online through My Tax Account using automatic withdrawal from a bank account
- In person at a DOR office location. Credit or debit cards are not accepted at any office location. See below for how to pay by credit or debit card.
- By Credit Card. In cooperation with Official Payments Corporation, you have the option of making a full or partial payment on your delinquent tax liability by credit card. For more information, please go to our Pay by Credit Card page.
- Send a payment using the mailing address provided on the notice you received from the department along with the payment voucher.
 - Make your check, cashier's check or money order payable to "Wisconsin Department of Revenue" and include your identification number or a copy of a department notice with your payment.
 - If you do not have a notice or payment voucher, please mail your payment to:

Compliance Bureau
Wisconsin Department of Revenue
PO Box 8901

Madison, WI 53708-8901

- Payments without a payment voucher, department notice, or identification number may be delayed in processing.

If you have additional questions regarding making payments, please call the Compliance Bureau at (608) 266-7879.

4. **How do I request a payment plan to pay my taxes?**

Request a payment plan by doing one of the following:

- Register for a [My Tax Account](#).
 - Add access to your accounts and request a payment plan by selecting Manage My Collection.
 - You can also track your collection balance.Using [My Tax Account](#) allows you to track your collection balance.
- Complete a [Payment Plan Request](#) form and submit it by mail, fax or email to the contacts listed at the bottom of this page.

If you enter into a payment plan with the department to pay your delinquent debt in installments, a \$20 fee is charged. Additionally:

- The terms of the payment plan require that you file and pay all tax returns on time in addition to making the expected payments. Meeting these terms avoids other collection actions.
- The department will continue to intercept any refunds or payments due to you from the federal government, Wisconsin and other states and may issue a tax warrant to secure the debt.

If you cannot pay the full amount due with your tax return, file the completed Wisconsin tax form on time and pay as much as possible. You will receive a bill for the balance. By filing on time, you avoid late fees and late filing negligence penalties.

It is to your advantage to pay your liability in full rather than through a payment plan. If your bill is not paid in full by the due date, you become liable for interest of 18% per year and a delinquent collection fee of the greater of \$35 or 6 1/2% of the unpaid amount. Private loans generally offer more favorable terms.

5. **What is a wage attachment?**

When you have not taken steps to voluntarily resolve your debt, the DOR can require your employer to withhold from your paycheck. This amount is not to exceed 25% of your gross pay. This action remains in place until your account has been paid in full.

- *What is gross pay?*
Generally, gross pay is the amount you earn before any deductions, including state and federal withholding, social security, health benefits, and direct deposits. However, if child support payments are being withheld from your pay, or if another creditor has a garnishment action in place prior to our action, these amounts are not part of your gross pay.

For example, if your gross pay is \$1,000 and you have \$250 taken for child support payments, \$750 of your pay is used to determine the maximum amount that may be withheld. In this example, the maximum amount that the department can require your

employer to withhold is \$187.50.

- *What happens if I terminate employment?*
Under Wisconsin law, once your employer becomes aware that you will leave, all amounts due to you, up to the total amount you owe, are to be withheld and paid to the DOR.
- *My spouse has a debt with the Department of Revenue, but I do not. Why is my pay being attached?*
Under Wisconsin marital property law, tax debt is considered a marital debt and your income a marital asset. This allows the DOR to collect this debt from your pay.
- *I cannot afford to have this much taken out of my check. What can I do?*
To consider a reduction of the current wage attachment, you must complete the Wage Attachment Reduction Request form by doing one of the following:
 - Register for a [My Tax Account](#).
 - Add access to your accounts and request a reduction by selecting Manage My Collection.
 - You can also track your collection balance.
 - Complete a [Wage Attachment Review Request](#) and submit it by mail, fax or email using the contact information listed at the bottom of this page.

6. What is a bank levy?

If you have not taken steps to voluntarily resolve a tax debt, the DOR can send a notice to your financial institution to attach or hold all funds you have access to. The DOR is entitled to receive up to the amount indicated on the levy notice.

- *How long will this levy stay in place?*
The department may issue either a single action levy or a continuous levy.

A single action levy allows us to take only the amount of funds you have access to at the time the financial institution receives the levy. If the funds you have access to are not sufficient to pay the amount listed in full, the DOR would have to issue another levy to attach to amounts deposited after the bank received the first levy.

A continuous levy stays in place until the amount is paid in full. If the funds that you have access to are not sufficient to pay the amount listed in full upon receipt of the continuous levy, your bank continues to hold and remit to us any deposits of funds until the amount is paid in full.

- *Does this mean that if the levy does not pay my debt in full, I will be levied again?*
The DOR prefers to resolve delinquent accounts by voluntary actions. If your delinquent account still has a balance and you contact us, you will be able to discuss other options to resolve your delinquent account. These options can include a payment plan.
- *What are protected funds, and can they be captured in a bank levy?*
 - Protected funds include:
 - Social Security and Supplemental Security Income issued by the Social Security Administration
 - Veterans benefits administered by the U.S. Department of Veterans Affairs
 - Federal railroad retirement unemployment and sickness benefits administered by the Railroad Retirement Board

- Civil Service Retirement System and federal employee Retirement System benefits administered by the Office of Personnel Management

Protected funds are not subject to DOR levy. If funds are not protected, the financial institution must honor the levy.

- *If a financial institution has any overdraft charges, or collateral outstanding, can the financial institution offset these before sending the levied funds to the DOR?*
 - **Overdraft Protection:** A financial institution can offset funds from one account to cover an overdraft in another account if the account is identified as security.
 - **Secured Loan:** A financial institution can offset a loan or overdraft charges if the account is documented as security. Example: If an individual has a savings account that is security for a loan, only the funds in excess of that security can be seized.
 - **Delinquent Loan:** A financial institution can transfer funds from a bank account to cover delinquent loan payments if the account is identified as security, if there is a loan default, or the financial institution has taken appropriate action to satisfy the delinquent loan with the funds in the bank account.
 - **Certificate of Deposit:** A financial institution can offset funds held in a certificate of deposit (CD) used as collateral for a loan up to the amount of the loan. Funds in excess of the loan are subject to levy. This also applies to perfected security interest.
- *Can the department levy a joint account?*
If the person with the debt to the Department of Revenue has access to the funds at the bank, all funds that are accessible are generally available to the department.
- *The debt is based on estimates. I know the actual amount is less. Can anything be done?*
The DOR has limited time, but can make adjustments and amend a levy. If you are able to file acceptable returns and the bank has not yet transferred the funds to the DOR, we make an effort to determine your actual liability and amend our levy if you owe less than the estimates. You need to contact us at the email or phone number listed on your copy of the levy notice.

7. What is a tax warrant and when does the department file a tax warrant?

All delinquent debt is subject to having a tax warrant filed. A tax warrant acts as a lien against real property you own in the county in which it is filed, and against your personal property. The warrant is filed with the Clerk of Court and is a public record of the amount you owe. It could affect your ability to obtain credit or sell real estate. The cost of filing and satisfying the warrant will be added to the delinquent tax account at the time the warrant is filed. Currently the cost is \$10.

8. What is a partial release of warrant?

A partial release of warrant may be issued by the department when an asset is sold and it is clear that the proceeds from the sale are insufficient to satisfy prior judgments and our warrant. The partial release removes our warrant only from the specific piece of real estate or personal property that was sold. You may request a partial release of warrant from the nearest Department of Revenue office or by calling (608) 266-7879.

9. Why does a credit bureau show a tax warrant is open and outstanding after my delinquent tax is paid?

Within approximately 30 days of receipt of full payment, the department notifies the Clerk of Court to satisfy a delinquent tax warrant. The department waits approximately 30 days to ensure personal checks are not returned from a financial institution for insufficient funds or

dishonored for some other reason.

Credit bureaus regularly search public records to look for tax warrants and warrant satisfactions. Occasionally, warrant satisfactions are missed by the credit bureaus.

If your credit bureau report shows an open tax warrant in error, for a small fee you may obtain a copy of the warrant satisfaction directly from the Clerk of Court in the county where the warrant was filed. If necessary, the Department of Revenue will write you a letter stating that the tax warrant was resolved. You can provide this letter to the credit bureau.

If you have paid or satisfied a tax warrant in full and would like the department to write a letter, you may contact us using the contact information listed at the bottom of this page.

You will need to provide us with the name and address of the credit bureau, your name, social security number or business account number, tax warrant number, and the approximate date of payment.

Please wait at least 30 days after payment by personal or business check before requesting a letter of satisfaction from the department. We will prepare the satisfaction letter immediately if you submit proof your payment was in the form of guaranteed funds, such as a cashier's check or money order, or if you provide the department with a copy of your cancelled check.

10. **How does a divorce decree affect my tax debt?**

If the debt owed to the DOR is from a joint income tax return, the DOR honors the terms of the decree. However, the DOR can only honor the terms of the decree **after** we have received a copy of the complete divorce decree.

Taxes other than income taxes, such as sales and withholding taxes, may be assessed against individuals. For these other taxes, a divorce decree can mandate which former spouse is responsible for the payment or how the payment must be shared between the former spouses. However, the court does not have the authority to change to whom the debt is assessed or to stop the DOR from collecting from the party assessed.

- *What happens to payments applied to debts based on joint income tax returns before the DOR receives a copy of the decree?*
The DOR only becomes bound by the agreement upon receipt of a copy of the decree. Prior to that time, an amount due is considered owed to the DOR by both former spouses and no refunds or allocation of payments will be made.
- *What happens to payments applied to debts based on other types of tax?*
As mentioned above the decree does not control the collection action by the DOR. If a former spouse is not complying with the order and the DOR collects from you, your remedies are against your former spouse.
- *How do I notify the Department of Revenue of my divorce decree?*
Submit a copy of it by mail, fax or email to the contact information listed at the bottom of this page.

11. **What address do I use for the Wisconsin Department of Revenue for my bankruptcy creditor mailing list?**

Special Procedures Unit
Wisconsin Department of Revenue
PO Box 8901
Madison, WI 53708-8901

Please use the address above for contact regarding other bankruptcy related questions or call (608) 267-0833.

12. **What is the Delinquent Taxpayers Internet Posting?**

See the [Delinquent Taxpayer](#) page for more information.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of October 14, 2019: Sections 71.82, 71.83, 71.91, 71.92, 71.94, 77.60, 77.62 and 812.35, Wis. Stats., and secs. Tax 2.88 and 11.93, Wis. Adm. Code.

Laws enacted and in effect after October 14, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to October 14, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

WISCONSIN DEPARTMENT OF REVENUE

Compliance Bureau

PO Box 8901

Madison, WI 53708-8901

Phone: (608) 266-7879

Fax: (608) 224-5790

Email additional questions to DORCompliance@wisconsin.gov

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