

**Department of Finance and Administration
Office of Personnel Management**

Policy Title: **Obtaining a Setoff From State Income Tax**

Policy Number: **27**

Authority: **Ark. Code Ann. § 26-36-303**

Revised: **July 1, 2017**

The Arkansas Department of Finance and Administration is authorized to obtain a setoff of State Income Tax refunds to collect a debt resulting from an overpayment of salary or wages, as well as a debt owed to the State as a result of having cashed both the original and the duplicate State payroll warrant.

Agencies opting to collect an overpayment of salary or wages through a setoff of a State Income Tax refund must send the debtor a Debt Collection Letter that allows the debtor thirty (30) days to request a hearing concerning the validity of the debt. Debtors requesting a hearing within the timeframe must be granted a hearing by the agency.