



“Ready Levy” in Minnesota

Minnesota Department of Revenue
Collection Division

Presented At 2008 MSATA Conference

(Madison, Wisconsin)



What is Ready Levy?

- Ready levy is an automated bank and wage levy process.
- We have programmed our collection system with a defined criteria to identify cases with a levy source.
- When the defined criteria is met, bank or wage levy notices are automatically generated.

Why Implement Ready Levy?

- We saw many benefits associated with implementing the ready levy process.
 - Delinquent taxpayers are treated consistently.
 - Chances of human error are eliminated.
 - The collection process is quicker and more efficient.
 - We can maximize our resources and focus on those further from compliance.

How we Began Building the Process

- We identified a Collection supervisor as the leader of the project.
- We solicited volunteers within the Collector rank to work on development and implementation.
- Soliciting volunteers allowed us to utilize collector knowledge & gain support for a new process.



Ready Levy Requirements

- We established
 - Minimum asset amounts for the identified asset.
 - Minimum age thresholds for the identified asset.
- For Wage Levies:
 - Wages must be >\$4,500 a quarter and the quarter end date must be within 180 days.
- For Bank Levies:
 - Bank asset must have been entered within two (2) years.



Ready Levy Requirements

- We do not include cross reference debt in the ready levy process.
- If there is a bank and wage levy source, wage levies take precedence.
- For bank levies, the system determines which qualified bank asset is most recent.

Ready Levy Requirements

- For wage levies, the system will determine which qualified employer asset has the most recent quarter with the largest wage.
- When a husband and wife each have their own case and there are qualified assets, a levy is done on both.
- We do manually review the husband/wife cases. We double check these to make sure it is appropriate to take both levies. This saves us potential work on the back end.



Ready Levy Requirements

- **Due Process:**

- Due process letters must have been sent >45 days and <335 days.

- **Debt Amount:**

- For a wage levy, the debt has to be > \$100
- For a bank levy, the debt has to be >\$500

- **No Payment Received:**

- There cannot be a payment received in the last 52 days.

Ready Levy Requirements

- There are certain indicators that make cases ineligible for ready levy. Those indicators include:
 - Cases with a SSN starting with “9”.
 - Cases with a bankruptcy.
 - Cases with Statue of Limitation issues.
 - Cases with a date of death.
 - Cases with hold codes.
 - Cases with active military duty.
 - Cases with Indian casino information.

Miscellaneous Decisions We Made

- We have a volume control in place limiting the number of levies sent in a day to 500 wage levies and 123 bank levies.
- If appropriate, we will change qualified asset parameters. For example:
 - The minimum wage increases, changing the minimum dollar upward for wage levies.

Miscellaneous Decisions We Made

- When we first started Ready Levy we did have a testing period where all cases were reviewed by the project team members.
- We manually reviewed 700 cases checking to make sure all the requirements were met and appropriate levies were issued.
- There were no major issues discovered in testing so we moved it into production September 2007.



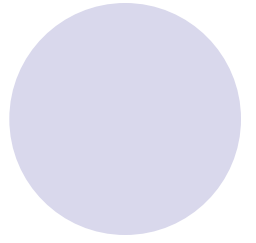
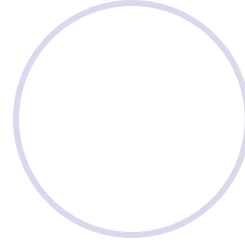
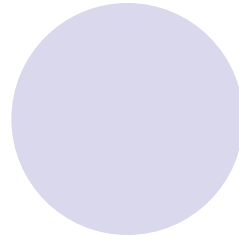
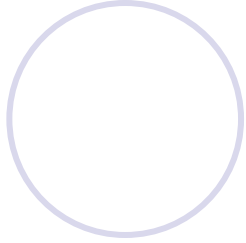
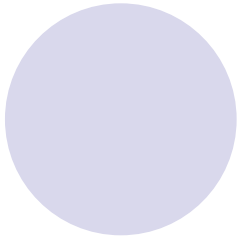
Ready Levy Results

- We began sending bank and wage levies without review on September 11, 2007.
- 21,483 levies have been issued since September.
- \$11.8 million dollars has been collected through June 2008 without any human intervention.



Benefits of Ready Levy

- It has allowed collectors to focus on the more complex cases.
- We are getting to inventory quicker and resolving more cases.
- It changed debtor expectations.
- It ties nicely with bank matching legislation we received during the 2008 legislative session.



Questions