



S. 755 - Crime Victim Restitution and Court Fee Intercept Act

SUMMARY OF THE BILL

S. 755 would amend the Internal Revenue Code of 1986 to allow an offset against income tax refunds to pay for restitution and other State judicial debts that are past-due.

RECOMMENDED ACTION: Support

REASON FOR RECOMMENDATION/IMPACT TO COUNTY

One of the most difficult tasks the modern-day court manager and crime victim faces is trying to collect the hundreds or even thousands of dollars in unpaid fees, fines and restitution owed to courts and crime victims. According to Senator Smith who introduced the legislation, financially-strapped courts (such as those within the County of Santa Barbara) need a way to collect on debts that are rightly due to a crime victim or to the court. Intercepting tax refunds is an efficient way to collect money that criminals owe. Funding will go to victims, help courts enforce court orders, and create revenue that could be returned to a state's treasury. S. 755 would allow the government to assist crime victims in collecting past-due restitution and other state criminal court debt from an offender's federal income tax return. Upon receiving notice from a State designated entity that a named person owes a past-due, legally enforceable State judicial debt to or in such State, the Secretary will do the following:

- Reduce the amount of any overpayment payable to such person by the amount of such State judicial debt;
- Pay the amount by which such overpayment is reduced to such State designated entity and notify such State designated entity of such person's name, taxpayer identification number, address, and the amount collected; and
- Notify the person making such overpayment that the overpayment has been reduced by an amount necessary to satisfy a past-due, legally enforceable State judicial debt.

These interceptions are on refunds that would otherwise be returned to a taxpayer. As such, there is no loss to the Federal budget. The proposal is "revenue neutral" in terms of costs to the Federal treasury. Court-owed debts would be last in line after child support interception and other current debt priorities, and would not affect other recipients now already intercepting refunds. This tax intercept proposal would be a revenue generating instrument that is not a tax increase. Enactment of this law would alleviate or lessen the budget problems faced by many courts. The mechanisms are already in place to establish this program. There would be no need to install new, expensive protocols to implement this proposal. Payment of unpaid court debt would promote the public trust and confidence in the nation's judicial system. The amendments made by this section will apply to refunds payable for taxable years beginning after December 31, 2010.

POSSIBLE SUPPORTERS

County District Attorney's Office, County Probation Departments, County Sheriff's Department, Conference of Chief Justices, Conference of State Court Administrators, National Association for Court Management, National Conference of State Legislatures, National Association of Counties, Government Finance Officers Association, American Probation and Parole Association, and crime victims.

POSSIBLE OPPOSITION

COUNTY CONTACT

Joyce Dudley, District Attorney, County of Santa Barbara District Attorney's Office – (805) 568-2306

COUNTY EXECUTIVE OFFICE

105 East Anapamu Street, Suite 406
Santa Barbara, California 93101
805/568-3400 • Fax 805/568-3414

Terri Maus Nisich, Assistant County Executive Officer