

Tax Refund Exchange & Compliance System (TRECS)

Frequently Asked Questions

- **What is TRECS?**

TRECS is a program that allows users to collect outstanding debts owed to local units of government by intercepting personal state income tax refunds.

- **What authorizes local government agencies to participate in the Indiana Department of Revenue's personal income tax debt setoff program?**

The Indiana General Assembly enacted legislation in its 2017 session to allow local governments to use the state's debt setoff program to recover unpaid local government debts. The enabling legislation is codified in the Indiana Code's Set Off of Refunds IC 6-8.1-9.5.

- **Is a local government required to notify the debtor in writing about their intent to submit debt(s) against their tax refund?**

Participating claimant agencies must inform each debtor through a written notification letter sent to the debtor's last known address of its intent to offset the debt for collection through the state's offset program should the debt remain unpaid once a match has been made. Agencies must follow notification and due process requirements as set forth in IC 6-8.1-9.5-5, IC 6-8.1-9.5-6, and IC 6-8.1-9.5-7.

- **How are debtors notified that their tax refund has been setoff?**

The debtor receives an official letter from the Indiana Department of Revenue listing the amount that was setoff for indebtedness to a local government and a phone number to call for information.

- **What are the fees and who receives those fees?**

The clearinghouse will charge a \$20 fee and Indiana Department of Revenue will impose a 15% fee. Both fees are only added if the debt is matched and not paid within the 30 day period. Bedford City Utilities does not charge or receive any of the fees.

- **Can I request a payment plan?**

No, a payment plan is not available.

- **What happens if my state income tax refund is not enough to cover the outstanding delinquent amount due?**

The remaining balance will still be owed. If not paid, the debt may be sent to a collection agency, a lien may be filed, or the debt may be submitted for tax set off again.

- **What can I do if I feel I don't owe this debt?**

If after contacting our office you feel you do not owe this debt, you may complete an appeal form in writing within 30 days of the date of your letter. The appeal will go before our hearing committee and a written decision will be given. The appeal form can be obtained from our office or our website at www.bedford.in.us

