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SECRETARY OF STATE
SEP 27 94 01 07 87

TITLE 219 - DEPARTMENT OF LABOR

CHAPTER 16 - INTERCEPT OF INCOME TAX REFUNDS TO SET-OFF DEBTS
DUE THE NEBRASKA DEPARTMENT OF LABOR

001. This chapter is adopted pursuant to Neb. Rev. Stat. §§48-607, 48-655, 48-665, 48-665.01, 77-27,119, and 77-27,197 to 77-27,209.

002. As used in this chapter:

A. "Debtor" refers to any individual, partnership, corporation, or other entity:

1. Who received unemployment insurance benefits to which he/she was not entitled, or
2. Who owes delinquent unemployment insurance contribution taxes, interest, or penalty.

B. "Debt" refers to an amount of money due to Labor because of an unemployment insurance benefit overpayment or because of delinquent contribution taxes, interest, or penalty.

C. "Refund" refers to any Nebraska state income tax refund which Revenue determines to be due an individual, corporation, or business taxpayer.

D. "Set-off" refers to the application of an income tax refund toward a debt due to Labor.

E. "Hearing" refers to an administrative proceeding conducted by Labor's Appeal Tribunal.

F. "Labor" refers to the Nebraska Department of Labor.

G. "Revenue" refers to the Nebraska Department of Revenue.

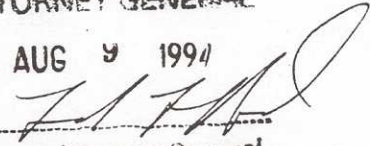
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DON STENSBERG
ATTORNEY GENERAL

AUG 9 1994

BY 
Assistant Attorney General

219-16.1

003. Any debt of twenty-five dollars or more, which has been finally determined and the appeal period from said final determination having expired, may be matched for possible set-off against income tax refunds as determined by Revenue.

004. Within twenty days of notification from Revenue of an income tax refund available for set-off, Labor will send a written notification to the taxpayer of intent to set-off the tax refund against the debt due to Labor.

A. The notice will be sent by regular mail to the last-known address of the debtor.

B. The notice will set forth the basis for the claim against the refund.

C. In the case of a joint income tax return, the notice will:

1. Advise that each partner to the marriage shall be presumed to have contributed one-half of the earnings upon which the refund is based and, therefore, one-half shall be subject to set-off.

2. Advise that this presumption may be contested through Labor's appeal process, by Labor, the debtor, or the innocent spouse.

3. Advise the name of the taxpayer against whom no debt is claimed and that no action is necessary by the non-owing spouse to receive payment of the non-interceptable amount.

D. The notice will advise that, within twenty days of mailing of Labor's notification of claim for set-off, the debtor can request a hearing to contest the validity of the claim by giving written notice to Labor. Failure to file said request for a hearing will be deemed a waiver of the opportunity to contest the claim, causing a set-off by default.

E. The notice will provide the address where a request for hearing must be filed.

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- 005. Administrative appeals involving recoupment of unemployment insurance benefit overpayments pursuant to this regulation shall be conducted in accordance with Title 224, Chapter 1 of the Nebraska Department of Labor's regulations.
- 006. Administrative appeals involving recoupment of unemployment insurance contribution taxes pursuant to this regulation shall be conducted in accordance with Title 223, Chapter 1 of the Nebraska Department of Labor's regulations.
- 007. Income tax refunds intercepted will be placed in Labor's "Income Tax Set-Off Account" and held by the Department of Administrative Services pending final determination. Upon final determination, monies so held will then be applied to the debtor's account and/or refunded to the debtor as determined. A receipt will be issued to the debtor showing the amount of income tax refund available to Labor for set-off, the amount of certified debt, the amount applied to the debt, balance of the debt after application of the set-off, and any excess amount refunded to the debtor.

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SEP 27 1994
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ATTORNEY GENERAL
AUG 9 1994
BY *[Handwritten signature]*
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