Kansas Setoff Program

Collecting from State Tax Refunds for Unified School District Debts

For state fiscal year 2019, the State of Kansas Setoff Program collected $11.6 million for Kansas municipalities. Unified School Districts are a municipality and may participate in the Kansas Setoff Program. More than 100 Unified School Districts currently participate in the Kansas Setoff Program.

The Kansas Setoff Program collects monies by withholding money from State payments that are issued to individuals or businesses that owe a state agency, district court, municipality, or a foreign state agency. The largest source of monies collected for municipalities comes from Kansas individual and joint Income tax refunds. Other payment sources include Homestead tax refunds, unclaimed property held by the Kansas State Treasurer, Lottery winnings, other state miscellaneous payments, and State payroll payments. A setoff action occurs when the payee’s name and Tax Identification Number (TIN) match the debtor’s name and TIN. The TIN can be an individual’s Social Security Number (SSN) or a business’s Federal Employer Identification Number (FEIN).

Over 900 municipal agencies participate in the Setoff Program. Types of municipalities that participate in the Setoff Program include: cities; counties; USDs; courts; hospitals; ambulance services; clinics; health centers; housing authorities; libraries; community colleges; conservation districts; municipal utilities; etc.

To participate in the Setoff Program, the municipality must enter into an agreement with the State. The Municipal Agreement and additional information about the Setoff Program are available on the Setoff Program’s website at https://admin.ks.gov/offices/oar/setoff-program. Debts submitted to the Setoff Program must be $25 or more and the municipality must have made at least three collection attempts prior to submitting the debt to the Setoff Program.

The Setoff Program may be contacted by phone at (785) 296-4628 or by email at KSSetoff@ks.gov.