



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Obtaining a Setoff From State Income Tax

Policy Number: 27

Authority: Ark. Code Ann. § 26-36-303

Revised: March 16, 2020

The Office of Personnel Management (OPM) is authorized to obtain a setoff of State Income Tax refunds to collect a debt resulting from an overpayment of salary or wages, as well as a debt owed to the State as a result of having cashed both the original and the duplicate State payroll warrant.

Agencies opting to collect an overpayment of salary or wages through a setoff of a State Income Tax refund must send the debtor a Debt Collection Letter that allows the debtor thirty (30) days to request a hearing concerning the validity of the debt. Debtors requesting a hearing within the timeframe must be granted a hearing by the agency.