(2) An opportunity to inspect and copy the records of the Department with respect to the claim;

(3) An opportunity to have the Department's determination of indebtedness reviewed by the organization head. Any request for review by the debtor shall be in writing and be submitted to the Department within 30 days of the date of the notice of the offset. The organization head may waive the time limit for requesting review for good cause shown by the debtor; and

(4) An opportunity to enter into a written agreement for the repayment of the amount of the claim at the discretion of the Department.

If the procedures described in paragraph (b) of this section are employed, the procedures described in this paragraph shall be effected after offset.

(d) *Interest.* The Department is authorized to assess interest and related charges on debts that are not subject to 31 U.S.C. 3717 to the extent authorized under the common law or other applicable statutory authority.

Subpart C—IRS Tax Refund Offset Provisions for Collection of Debts

SOURCE: Order No. 1792–93, 58 FR 51223, Oct. 1, 1993, unless otherwise noted.

§ 11.10 Scope.

The provisions of 26 U.S.C. 6402(d) and 31 U.S.C. 3720A authorize the Secretary of the Treasury, acting through the Internal Revenue Service (IRS), to offset a delinquent debt owed to the United States Government from the tax refund due a taxpayer when other collection efforts have failed to recover the amount due. The purpose of these statutes is to improve the ability of the Government to collect money owed it while granting the debtor notice and certain other protections. This subpart authorizes the collection of debts owed to the United States Government by persons, organizations, and entities by means of offsetting any tax refunds due to the debtor by the IRS. It allows referral to the IRS for collection of debts that are past due and legally enforceable but not reduced to judgment and debts that have been reduced to judgment.

§ 11.11 Definitions.

(a) *Debt.* Debt means money owed by an individual, organization or entity from sources which include loans insured or guaranteed by the United States and all other amounts due the United States from fees, leases, services, overpayments, civil and criminal penalties, damages, interest, fines, administrative costs, and all other similar sources. A debt becomes eligible for tax refund offset procedures if it cannot currently be collected pursuant to the salary offset procedures of 5 U.S.C. 5514(a)(1) and is ineligible for administrative offset under 31 U.S.C. 3716(a) by reason of 31 U.S.C. 3716(c)(2), or cannot currently be collected by administrative offset under 31 U.S.C. 3716(a) against amounts payable to the debtor by the Department of Justice. A nonjudgment debt is eligible for tax refund offset procedures if the Department's or the referring agency's right of action accrued more than three months but less than ten years before the offset is made. Judgment debts are eligible for referral at any time. Debts that have been referred to the Department of Justice by other agencies for collection are included in this definition.

(b) *Past due.* All accelerated debts and all judgment debts are past due for purposes of this section. Such debts remain past due until paid in full. An accelerated debt is past due if, at the time of the notice required by § 11.12(b), any part of the debt had been due, but not paid, for at least 90 days. Such an unaccelerated debt remains past due until paid to the current amount of indebtedness.

(c) *Notice.* Notice means the information sent to the debtor pursuant to § 11.12(b). The date of the notice is the date shown on the notice letter as its date of issuance.

(d) *Dispute.* A dispute is a written statement supported by documentation or other evidence that all or part of an alleged debt is not past due or legally enforceable, that the amount is not the amount currently owed, that the outstanding debt has been satisfied, or, in the case of a debt reduced to judgment, that the judgment has been satisfied or stayed.