

III. FY 2023 PRIVATE DEBT COLLECTION PROGRAM BUSINESS RESULTS

A. Tax Receivables Delivered¹

Tax Receivables Delivered		
FY 2023		
PCA	Number of Entities	Amount
CBE	131,357	\$1,286,298,252
ConServe	131,761	\$1,254,267,659
Coast	129,770	\$1,224,105,816
Total	392,888	\$3,764,671,727

Source: SB/SE - PDC "FY 2023 New Scorecard Report"; Tax Receivables data is through March 16, 2023.

B. Amounts Collected²

Program Revenue	
FY 2023	
Commissionable Payments¹	\$260,173,075
<i>CBE</i>	<i>\$101,496,673</i>
<i>Coast</i>	<i>\$58,431,185</i>
<i>ConServe</i>	<i>\$99,953,842</i>
<i>Residual</i>	<i>\$291,375</i>
Non-Commissionable Payments²	\$21,479,978
<i>CBE</i>	<i>\$8,447,516</i>
<i>Coast</i>	<i>\$6,107,087</i>
<i>ConServe</i>	<i>\$6,925,376</i>
Special Compliance Personnel Revenue³	\$162,194,348
Total Program Revenue	\$443,847,401
Less: Retained Earnings⁴	\$130,086,695
Net Revenue to General Fund/Treasury	\$313,760,706

¹Source: Chief Financial Officer (CFO); Commissionable payments are through the reporting cycle ending March 16, 2023.

²Source: SB/SE - PDC "FY 2023 Non-Commissionable Payment Report" through March 16, 2023.

³Source: Enforcement Revenue Information System (ERIS); Special Compliance Personnel Revenue is through January 31, 2023.

⁴Source: CFO Compensation Report; Retained Earnings are through March 16, 2023.

¹ IRC 6306(j)(1)(A)—The total number and amount of tax receivables provided to each contractor for collection. NOTE: In accordance with the Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, compliance assessments are not considered tax receivables under federal accounting standards. Although not considered a tax receivable, compliance assessments represent legally enforceable claims.

² IRC 6306(j)(1)(B) [part 1]—The total amounts collected (and amounts of installment agreements entered into under subsection (b)(1)(B)) with respect to each contractor

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Payment Arrangements Entered		
FY 2023		
PCA	Number of Entities	Amount
CBE	18,127	\$175,657,657
ConServe	12,847	\$119,255,785
Coast	5,093	\$47,948,104
Total	36,067	\$342,861,546

Source: SB/SE - PDC "FY 2023 Scorecard Report;" Installment Agreements Entered data is through March 16, 2023.

C. IRS Private Debt Collection Costs³

IRS PDC Collection Costs	
FY 2023	
Expense	Amount
PCA Commissions ¹	\$43,479,873
PDC Program Costs ²	
Labor	\$27,645,305
Travel	\$331,150
Training	\$63,185
Print & Postage	\$966,389
Contracts	\$663,452
Supplies and Services	\$8,616
Background investigations	\$0
IT Equipment	\$0
Reobligation of Recoveries	\$564,422
Indirect	\$17,278,316
Total Cost	\$91,000,707

¹Source: Chief Financial Officer (CFO); Commissions are through March 16, 2023 and all other costs are through March 31, 2023.

²Source: SB/SE Finance; PDC program costs are through March 31, 2023.

³ IRC 6306(j)(1)(B) [part 2]—...the collection costs incurred (directly and indirectly) by the Internal Revenue Service with respect to such amounts.

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E. Fees Retained⁴

FY 2023 Fund Activity			
	Total	COS Fund	SCPP Fund
			Total
FY 2022 Carryover	\$218,621,439	\$53,777,293	\$164,844,146
Add: Retained Earnings Available	\$124,783,714	\$57,775,887	\$67,007,828
Retained Earnings ¹	\$130,086,695	\$65,043,348	\$65,043,348
FY 2022 Sequestration Returned ²	\$8,754,643	\$3,643,908	\$5,110,735
FY 2023 Sequestration ²	(\$7,414,942)	(\$3,707,471)	(\$3,707,471)
Return of Surplus Retained Earnings	(\$7,203,898)	(\$7,203,898)	\$0
Add: Recoveries of Unpaid Prior Year Obligation²	\$561,216	\$0	\$561,216
Less: FY 2023 Total Fund Expenditures²	\$90,927,285	\$43,479,873	\$47,447,412
PCA Commissions	\$43,479,873	\$43,479,873	
Labor	\$27,603,463		\$27,603,463
Travel	\$331,150		\$331,150
Training	\$25,356		\$25,356
Print & Postage	\$966,389		\$966,389
Contract	\$669,701		\$669,701
Supplies and Services	\$8,616		\$8,616
Background Investigations	\$0		\$0
IT Equipment	\$0		\$0
Reobligation of Recoveries	\$564,422		\$564,422
Indirect	\$17,278,316		\$17,278,316
FY 2023 Carryforward	\$253,039,084	\$68,073,307	\$184,965,778

¹Source: Chief Financial Officer (CFO): Retained Earnings and Commissions are through the reporting cycle ending March 16, 2023. Indirect cost is calculated by applying the overhead rate (62.50%) to direct PDC Expenses.

²Source: SB/SE Finance: Sequestration is 5.7% of retained earnings. Sequestered funds become available in future years. Costs are through March 31, 2023 as they are incurred and will differ from the SF-133 (i.e. indirect costs).

⁴ IRC 6306(j)(1)(D)—The amount of fees retained by the Secretary under subsection (e) and a description of the use of such funds.