

112TH CONGRESS
1ST SESSION

H. R. 829

To prohibit the awarding of a contract or grant in excess of the simplified acquisition threshold unless the prospective contractor or grantee certifies in writing to the agency awarding the contract or grant that the contractor or grantee has no seriously delinquent tax debts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2011

Mr. CHAFFETZ introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To prohibit the awarding of a contract or grant in excess of the simplified acquisition threshold unless the prospective contractor or grantee certifies in writing to the agency awarding the contract or grant that the contractor or grantee has no seriously delinquent tax debts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Contracting and Tax
5 Accountability Act of 2011”.

1 **SEC. 2. GOVERNMENTAL POLICY.**

2 It is the policy of the United States Government that
3 no Government contracts or grants should be awarded to
4 individuals or companies with seriously delinquent Federal
5 tax debts.

6 **SEC. 3. PROHIBITION ON AWARDING OF CONTRACTS TO**
7 **DELINQUENT FEDERAL DEBTORS.**

8 Section 3720B of title 31, United States Code, is
9 amended—

10 (1) in the section heading, by adding at the end
11 **“or contracts”**;

12 (2) by adding at the end the following:

13 “(c)(1) Unless this subsection is waived by the head
14 of a Federal agency, a person who has a seriously delin-
15 quent tax debt shall be proposed for debarment from any
16 contract awarded by the Federal Government.

17 “(2) The head of any Federal agency that issues an
18 invitation for bids or a request for proposals for a contract
19 in an amount greater than the simplified acquisition
20 threshold (as defined in section 134 of title 41, United
21 States Code) shall require each person that submits a bid
22 or proposal to submit with the bid or proposal a form—

23 “(A) certifying that the person does not have a
24 seriously delinquent tax debt; and

25 “(B) authorizing the Secretary of the Treasury
26 to disclose to the head of the agency information

1 limited to describing whether the person has a seri-
2 ously delinquent tax debt.

3 “(3) The Secretary shall make available to all Federal
4 agencies a standard form for the certification and author-
5 ization described in paragraph (2).

6 “(4) Not later than 270 days after the date of enact-
7 ment of this subsection, the Federal Acquisition Regula-
8 tion shall be revised to incorporate the requirements of
9 this subsection.

10 “(5) For purposes of this subsection:

11 “(A) The term ‘contract’ means a binding
12 agreement entered into by a Federal agency for the
13 purpose of obtaining property or services, but does
14 not include—

15 “(i) a contract designated by the head of
16 the agency as assisting the agency in the per-
17 formance of disaster relief authorities; or

18 “(ii) a contract designated by the head of
19 the agency as necessary to the national security
20 of the United States.

21 “(B)(i) The term ‘person’ includes—

22 “(I) an individual;

23 “(II) a partnership; and

24 “(III) a corporation.

1 “(ii) A partnership shall be treated as a person
2 with a seriously delinquent tax debt if such partner-
3 ship has a partner who—

4 “(I) holds an ownership interest of 50 per-
5 cent or more in that partnership; and

6 “(II) who has a seriously delinquent tax
7 debt.

8 “(iii) A corporation shall be treated as a person
9 with a seriously delinquent tax debt if such corpora-
10 tion has an officer or a shareholder who—

11 “(I) holds 50 percent or more, or a con-
12 trolling interest that is less than 50 percent, of
13 the outstanding shares of corporate stock in
14 that corporation; and

15 “(II) who has a seriously delinquent tax
16 debt.

17 “(C)(i) The term ‘seriously delinquent tax debt’
18 means an outstanding debt under the Internal Rev-
19 enue Code of 1986 for which a notice of lien has
20 been filed in public records pursuant to section 6323
21 of such Code.

22 “(ii) Such term does not include—

23 “(I) a debt that is being paid in a timely
24 manner pursuant to an agreement under sec-
25 tion 6159 or section 7122 of such Code; and

1 “(II) a debt with respect to which a collec-
2 tion due process hearing under section 6330 of
3 such Code, or relief under subsection (a), (b),
4 or (f) of section 6015 of such Code, is re-
5 quested or pending.”.

6 **SEC. 4. PROHIBITION ON AWARDING OF GRANTS TO DELIN-**
7 **QUENT FEDERAL DEBTORS.**

8 (a) **IN GENERAL.**—The head of any Executive agency
9 that offers a grant in excess of an amount equal to the
10 simplified acquisition threshold (as defined in section 134
11 of title 41, United States Code) may not award such grant
12 to any person unless such person submits with the applica-
13 tion for such grant a form—

14 (1) certifying that the person does not have a
15 seriously delinquent tax debt; and

16 (2) authorizing the Secretary of the Treasury to
17 disclose to the head of the Executive agency infor-
18 mation limited to describing whether the person has
19 a seriously delinquent tax debt.

20 (b) **RELEASE OF INFORMATION.**—The Secretary
21 shall make available to all Executive agencies a standard
22 form for the certification and authorization described in
23 subsection (a)(2).

24 (c) **REVISION OF REGULATIONS.**—Not later than 270
25 days after the date of the enactment of this section, the

1 Director of the Office of Management and Budget shall
2 revise such regulations as necessary to incorporate the re-
3 quirements of this section.

4 (d) DEFINITIONS AND SPECIAL RULES.—For pur-
5 poses of this section:

6 (1) PERSON.—

7 (A) IN GENERAL.—The term “person” in-
8 cludes—

- 9 (i) an individual;
10 (ii) a partnership; and
11 (iii) a corporation.

12 (B) TREATMENT OF CERTAIN PARTNER-
13 SHIPS.—A partnership shall be treated as a
14 person with a seriously delinquent tax debt if
15 such partnership has a partner who—

- 16 (i) holds an ownership interest of 50
17 percent or more in that partnership; and
18 (ii) who has a seriously delinquent tax
19 debt.

20 (C) TREATMENT OF CERTAIN CORPORA-
21 TIONS.—A corporation shall be treated as a
22 person with a seriously delinquent tax debt if
23 such corporation has an officer or a shareholder
24 who—

1 (i) holds 50 percent or more, or a con-
2 trolling interest that is less than 50 per-
3 cent, of the outstanding shares of cor-
4 porate stock in that corporation; and

5 (ii) who has a seriously delinquent tax
6 debt.

7 (2) EXECUTIVE AGENCY.—The term “executive
8 agency” has the meaning given such term in section
9 133 of title 41, United States Code.

10 (3) SERIOUSLY DELINQUENT TAX DEBT.—

11 (A) IN GENERAL.—The term “seriously de-
12 linquent tax debt” means an outstanding debt
13 under the Internal Revenue Code of 1986 for
14 which a notice of lien has been filed in public
15 records pursuant to section 6323 of such Code.

16 (B) EXCEPTIONS.—Such term does not in-
17 clude—

18 (i) a debt that is being paid in a time-
19 ly manner pursuant to an agreement under
20 section 6159 or section 7122 of such Code;
21 and

22 (ii) a debt with respect to which a col-
23 lection due process hearing under section
24 6330 of such Code, or relief under sub-

1 section (a), (b), or (f) of section 6015 of
2 such Code, is requested or pending.

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