

106TH CONGRESS  
2D SESSION

# H. R. 4181

To amend title 31, United States Code, to prohibit delinquent Federal debtors from being eligible to enter into Federal contracts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 2000

Mr. TURNER (for himself, Mr. HORN, Mr. BURTON of Indiana, Mr. WAXMAN, Mr. OWENS, Mrs. BIGGERT, Mrs. MALONEY of New York, Mr. WALDEN of Oregon, Mr. DAVIS of Virginia, Mr. OSE, Mr. TANNER, Mr. DOGGETT, Mr. MATSUI, Mr. SHAYS, Mr. MICA, Mr. STENHOLM, Mrs. MORELLA, Mr. THORNBERRY, Mr. GREEN of Texas, Mr. WAMP, Mr. BENTSEN, Mr. HUTCHINSON, Mr. LAMPSON, Mr. BACHUS, Mr. TIERNEY, Mr. PITTS, Mr. HALL OF TEXAS, and Mr. GILMAN) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 31, United States Code, to prohibit delinquent Federal debtors from being eligible to enter into Federal contracts, 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 “Debt Payment Incen-  
5 tive Act of 2000”.

1 **SEC. 2. AMENDMENTS TO PROVISION REGARDING DELIN-**  
2 **QUENT FEDERAL DEBTORS.**

3 Section 3720B of title 31, United States Code, is  
4 amended—

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

7 (2) in subsection (a)—

8 (A) by inserting “or be eligible to enter  
9 into a Federal contract with the agency” after  
10 “administered by the agency”;

11 (B) by inserting “, including” after “debt”  
12 the first place such term appears;

13 (C) by striking “(other than” the second  
14 place such words appear;

15 (D) by striking the closing parenthesis  
16 after “1986”; and

17 (E) by inserting “and be eligible to enter  
18 into Federal contracts” after “loan guaran-  
19 tees”; and

20 (3) by adding at the end the following:

21 “(c)(1) The head of any Federal agency that admin-  
22 isters a Federal loan or loan guarantee program or that  
23 issues a request for proposals for a Federal contract shall  
24 require each applicant for a Federal loan or loan guar-  
25 antee and each entity that submits a proposal to enter  
26 into a contract with the agency to submit with the loan

1 or loan guarantee application or the contract proposal a  
2 form authorizing the Secretary of the Treasury to disclose  
3 to the head of the agency information describing whether  
4 the applicant or prospective contractor has an outstanding  
5 debt under the Internal Revenue Code of 1986 in delin-  
6 quent status.

7 “(2) Not later than 30 days after the date of the en-  
8 actment of this subsection, the Secretary shall develop and  
9 make available to all Federal agencies a standard form,  
10 the purpose which shall be to authorize the disclosure de-  
11 scribed in paragraph (1).

12 “(d) For purposes of this section:

13 “(1) The term ‘contract’ means a binding  
14 agreement entered into by a Federal agency for the  
15 purpose of obtaining supplies, materials, equipment,  
16 or services, but does not include—

17 “(A) a contract to assist the agency in the  
18 performance of disaster relief authorities, as  
19 designated in standards prescribed by the Sec-  
20 retary of the Treasury; or

21 “(B) a contract designated by the Presi-  
22 dent as necessary to the national security of the  
23 United States.

24 “(2) The term “person” includes—

1           “(A) any partnership with a partner who  
2           has been assessed a penalty under section 6672  
3           of the Internal Revenue Code of 1986 with re-  
4           spect to a debt which is in delinquent status as  
5           described in paragraph (3); and

6           “(B) any corporation with an officer or a  
7           shareholder who holds 25 percent or more of  
8           the outstanding shares of corporate stock in  
9           that corporation who has been assessed a pen-  
10          alty under section 6672 of the Internal Revenue  
11          Code of 1986 with respect to a debt that is in  
12          delinquent status as described in paragraph (3).

13          “(3) A debt under the Internal Revenue Code  
14          of 1986 shall be considered to be in delinquent sta-  
15          tus if it has not been paid within 90 days of an as-  
16          sessment of a tax, penalty, or interest under the In-  
17          ternal Revenue Code of 1986. Such a debt does not  
18          include a debt that is being paid in a timely manner  
19          pursuant to an agreement under section 6159 or  
20          section 7122 of the Internal Revenue Code of  
21          1986.”.

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