

106TH CONGRESS
2D SESSION

S. 2747

To expand the Federal tax refund intercept program to cover children who are not minors.

IN THE SENATE OF THE UNITED STATES

JUNE 16, 2000

Mr. L. CHAFEE (for himself, Mr. KOHL, Mr. GRAHAM, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To expand the Federal tax refund intercept program to cover children who are not minors.

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 “Child Support Fairness
5 and Tax Refund Interception Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Enforcing child support orders remains a
9 serious problem in the United States. There are ap-
10 proximately 12,000,000 active cases in which a child

1 support order requires a noncustodial parent to con-
2 tribute to the support of his or her child. Of the
3 \$13,700,000,000 owed in calendar year 1998 pursu-
4 ant to such orders, \$6,900,000,000, or 51 percent,
5 has been collected. However, this data does not in-
6 clude reporting from many States, including Cali-
7 fornia, New York, Florida, and Illinois. Similar
8 shortfalls in past years have brought the combined
9 total of child support owed to \$47,400,000,000 by
10 the end of fiscal year 1997.

11 (2) It is an injustice for the Federal Govern-
12 ment to issue tax refunds to a deadbeat spouse while
13 a custodial parent has to work 2 or 3 jobs to ac-
14 count for the shortfall in providing for their chil-
15 dren.

16 (3) The Internal Revenue Service (IRS) pro-
17 gram to intercept the tax refunds of parents who
18 owe child support arrears has been successful in col-
19 lecting more than $\frac{1}{3}$ of such arrears.

20 (4) The Congress has periodically expanded eli-
21 gibility for the IRS tax refund intercept program.
22 Initially, the program was limited to intercepting
23 Federal tax refunds owed to parents on public as-
24 sistance. In 1984, Congress expanded the program
25 to cover refunds owed to parents not on public as-

1 sistance. Finally, the Omnibus Budget Reconciliation
2 Act of 1990 made the program permanent and ex-
3 panded the program to cover refunds owed to par-
4 ents of adult children who are disabled.

5 (5) The injustice to the custodial parent is the
6 same regardless of whether the child is disabled,
7 non-disabled, a minor, or an adult, so long as the
8 child support obligation is provided for by a court or
9 administrative order. It is common for parents to
10 help their adult children finance a college education,
11 a wedding, or a first home. Some parents cannot af-
12 ford to do that because they are recovering from
13 debt they incurred to cover expenses that would have
14 been covered if they had been paid the child support
15 owed to them in a timely manner.

16 (6) This Act would address this injustice by ex-
17 panding the program to cover parents of all adult
18 children, regardless of whether the child is disabled.

19 (7) This Act does not create a cause of action
20 for a custodial parent to seek additional child sup-
21 port. This Act merely helps the custodial parent re-
22 cover debt they are owed for a level of child support
23 that was set by a court after both sides had the op-
24 portunity to present their arguments about the prop-
25 er amount of child support.

1 **SEC. 3. USE OF TAX REFUND INTERCEPT PROGRAM TO**
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 Section 464 of the Social Security Act (42 U.S.C.
5 664) is amended—

6 (1) in subsection (a)(2)(A), by striking “(as
7 that term is defined for purposes of this paragraph
8 under subsection (c))”; and

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as pro-
12 vided in paragraph (2), as used in” and in-
13 serting “In”; and

14 (ii) by inserting “(whether or not a
15 minor)” after “a child” each place it ap-
16 pears; and

17 (B) by striking paragraphs (2) and (3).

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