

110TH CONGRESS
2D SESSION

H. R. 4881

AN ACT

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 2008”.

6 **SEC. 2. GOVERNMENTAL POLICY.**

7 It is the policy of the United States Government that
8 no Government contracts or grants should be awarded to
9 individuals or companies with seriously delinquent Federal
10 tax debts.

11 **SEC. 3. PROHIBITION ON AWARDING OF CONTRACTS TO**
12 **DELINQUENT FEDERAL DEBTORS.**

13 Section 3720B of title 31, United States Code, is
14 amended—

15 (1) in the section heading, by adding at the end
16 **“OR CONTRACTS”**;

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

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

22 “(2) The head of any Federal agency that issues an
23 invitation for bids or a request for proposals for a contract
24 in an amount greater than the simplified acquisition
25 threshold (as defined in section 4(11) of the Office of Fed-

1 eral Procurement Policy Act (41 U.S.C. 401(11)) shall re-
2 quire each person that submits a bid or proposal to submit
3 with the bid or proposal a form—

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

6 “(B) authorizing the Secretary of the Treasury
7 to disclose to the head of the agency information
8 limited to describing whether the person has a seri-
9 ously delinquent tax debt.

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

13 “(4) Not later than 270 days after the date of enact-
14 ment of this subsection, the Federal Acquisition Regula-
15 tion shall be revised to incorporate the requirements of
16 this subsection.

17 “(5) For purposes of this subsection:

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

22 “(i) a contract designated by the head of
23 the agency as assisting the agency in the per-
24 formance of disaster relief authorities; or

1 “(ii) a contract designated by the head of
2 the agency as necessary to the national security
3 of the United States.

4 “(B)(i) The term ‘person’ includes—

5 “(I) an individual;

6 “(II) a partnership; and

7 “(III) a corporation.

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

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

13 “(II) who has a seriously delinquent tax
14 debt.

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

18 “(I) holds 50 percent or more, or a con-
19 trolling interest that is less than 50 percent, of
20 the outstanding shares of corporate stock in
21 that corporation; and

22 “(II) who has a seriously delinquent tax
23 debt.

24 “(C)(i) The term ‘seriously delinquent tax debt’
25 means an outstanding debt under the Internal Rev-

1 enue Code of 1986 for which a notice of lien has
2 been filed in public records pursuant to section 6323
3 of such Code.

4 “(ii) Such term does not include—

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

8 “(II) a debt with respect to which a collec-
9 tion due process hearing under section 6330 of
10 such Code, or relief under subsection (a), (b),
11 or (f) of section 6015 of such Code, is re-
12 quested or pending.”.

13 **SEC. 4. PROHIBITION ON AWARDING OF GRANTS TO DELIN-**
14 **QUENT FEDERAL DEBTORS.**

15 (a) IN GENERAL.—The head of any Executive agency
16 that offers a grant in excess of an amount equal to the
17 simplified acquisition threshold (as defined in section
18 4(11) of the Office of Federal Procurement Policy Act (41
19 U.S.C. 401(11)) may not award such grant to any person
20 unless such person submits with the application for such
21 grant a form—

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

24 (2) authorizing the Secretary of the Treasury to
25 disclose to the head of the Executive agency infor-

1 mation limited to describing whether the person has
2 a seriously delinquent tax debt.

3 (b) RELEASE OF INFORMATION.—The Secretary
4 shall make available to all Executive agencies a standard
5 form for the certification and authorization described in
6 subsection (a)(2).

7 (c) REVISION OF REGULATIONS.—Not later than 270
8 days after the date of the enactment of this section, the
9 Director of the Office of Management and Budget shall
10 revise such regulations as necessary to incorporate the re-
11 quirements of this section.

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

14 (1) PERSON.—

15 (A) IN GENERAL.—The term “person” in-
16 cludes—

17 (i) an individual;

18 (ii) a partnership; and

19 (iii) a corporation.

20 (B) TREATMENT OF CERTAIN PARTNER-
21 SHIPS.—A partnership shall be treated as a
22 person with a seriously delinquent tax debt if
23 such partnership has a partner who—

24 (i) holds an ownership interest of 50
25 percent or more in that partnership; and

1 (ii) who has a seriously delinquent tax
2 debt.

3 (C) TREATMENT OF CERTAIN CORPORA-
4 TIONS.—A corporation shall be treated as a
5 person with a seriously delinquent tax debt if
6 such corporation has an officer or a shareholder
7 who—

8 (i) holds 50 percent or more, or a con-
9 trolling interest that is less than 50 per-
10 cent, of the outstanding shares of cor-
11 porate stock in that corporation; and

12 (ii) who has a seriously delinquent tax
13 debt.

14 (2) EXECUTIVE AGENCY.—The term “executive
15 agency” has the meaning given such term in section
16 4 of the Office of Federal Procurement Policy Act
17 (41 U.S.C. 403).

18 (3) SERIOUSLY DELINQUENT TAX DEBT.—

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

24 (B) EXCEPTIONS.—Such term does not in-
25 clude—

- 1 (i) a debt that is being paid in a time-
2 ly manner pursuant to an agreement under
3 section 6159 or section 7122 of such Code;
4 and
- 5 (ii) a debt with respect to which a col-
6 lection due process hearing under section
7 6330 of such Code, or relief under sub-
8 section (a), (b), or (f) of section 6015 of
9 such Code, is requested or pending.

Passed the House of Representatives April 14, 2008.

Attest:

Clerk.

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