

# Union Calendar No. 356

110TH CONGRESS  
2D SESSION

# H. R. 4881

[Report No. 110-578]

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.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2007

Mr. ELLSWORTH (for himself and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

APRIL 10, 2008

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on December 19, 2007]

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## 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 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 DE-**  
12 **LINQUENT 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 Federal*

1 *Procurement Policy Act (41 U.S.C. 401(11)) shall require*  
2 *each person that submits a bid or proposal to submit with*  
3 *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 lim-*  
8 *ited to describing whether the person has a seriously*  
9 *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 Regulation*  
15 *shall be revised to incorporate the requirements of this sub-*  
16 *section.*

17          “(5) *For purposes of this subsection:*

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

22                       “(i) *a contract designated by the head of the*  
23 *agency as assisting the agency in the perform-*  
24 *ance 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 control-  
19                  ling interest that is less than 50 percent, of the  
20                  outstanding shares of corporate stock in that cor-  
21                  poration; 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 been*  
2 *filed in public records pursuant to section 6323 of*  
3 *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 section*  
7 *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 subsections (a), (b), or*  
11 *(f) of section 6015 of such Code, is requested or*  
12 *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 sim-*  
17 *plified acquisition threshold (as defined in section 4(11) of*  
18 *the Office of Federal Procurement Policy Act (41 U.S.C.*  
19 *401(11)) may not award such grant to any person unless*  
20 *such person submits with the application for such grant a*  
21 *form—*

22 *(1) certifying that the person does not have a se-*  
23 *riously delinquent tax debt; and*

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

1        *tion limited to describing whether the person has a se-*  
2        *riously delinquent tax debt.*

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

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

12       *(d) DEFINITIONS AND SPECIAL RULES.—For purposes*  
13       *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 per-*  
22                    *son with a seriously delinquent tax debt if such*  
23                    *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 CORPORATIONS.*—A corporation shall be treated as a per-  
4                   son with a seriously delinquent tax debt if such  
5                   corporation has an officer or a shareholder  
6                   who—  
7                   

8                   (i) holds 50 percent or more, or a con-  
9                   trolling interest that is less than 50 percent,  
10                  of the outstanding shares of corporate stock  
11                  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 (41  
17                  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                   sections (a), (b), or (f) of section 6015 of  
9                   such Code, is requested or pending.





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