

113TH CONGRESS
1ST SESSION

H. R. 882

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, 2013

Mr. CHAFFETZ (for himself and Ms. SPEIER) 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 2013”.

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. DISCLOSURE AND EVALUATION OF CONTRACT OF-**
7 **FERS FROM DELINQUENT FEDERAL DEBT-**
8 **ORS.**

9 (a) IN GENERAL.—The head of any executive agency
10 that issues an invitation for bids or a request for proposals
11 for a contract in an amount greater than the simplified
12 acquisition threshold shall require each person that sub-
13 mits a bid or proposal to submit with the bid or proposal
14 a form—

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

17 (2) authorizing the Secretary of the Treasury to
18 disclose to the head of the agency information lim-
19 ited to describing whether the person has a seriously
20 delinquent tax debt.

21 (b) IMPACT ON RESPONSIBILITY DETERMINATION.—
22 The head of any executive agency, in evaluating any offer
23 received in response to a solicitation issued by the agency
24 for bids or proposals for a contract, shall consider a certifi-
25 cation that the offeror has a seriously delinquent tax debt
26 to be definitive proof that the offeror is not a responsible

1 source as defined in section 113 of title 41, United States
2 Code.

3 (c) DEBARMENT.—

4 (1) REQUIREMENT.—Except as provided in
5 paragraph (2), the head of an executive agency shall
6 propose a person for debarment after receiving an
7 offer for a contract from such person if—

8 (A) such offer contains a certification (as
9 required under subsection (a)(1)) that such per-
10 son has a seriously delinquent tax debt; or

11 (B) the head of the agency receives infor-
12 mation from the Secretary of the Treasury (as
13 authorized under subsection (a)(2)) dem-
14 onstrating that such a certification submitted
15 by such person is false.

16 (2) WAIVER.—The head of an executive agency
17 may waive paragraph (1) with respect to a person
18 based upon a written finding of urgent and compel-
19 ling circumstances significantly affecting the inter-
20 ests of the United States. If the head of an executive
21 agency waives paragraph (1) for a person, the head
22 of the agency shall submit to Congress, within 30
23 days after the waiver is made, a report containing
24 the rationale for the waiver and relevant information
25 supporting the waiver decision.

1 (d) RELEASE OF INFORMATION.—The Secretary of
 2 the Treasury shall make available to all executive agencies
 3 a standard form for the authorization described in sub-
 4 section (a).

5 (e) REVISION OF REGULATIONS.—Not later than 270
 6 days after the date of enactment of this subsection, the
 7 Federal Acquisition Regulation shall be revised to incor-
 8 porate the requirements of this section.

9 **SEC. 4. DISCLOSURE AND EVALUATION OF GRANT APPLI-**
 10 **CATIONS FROM DELINQUENT FEDERAL**
 11 **DEBTORS.**

12 (a) IN GENERAL.—The head of any executive agency
 13 that offers a grant in excess of an amount equal to the
 14 simplified acquisition threshold shall require each person
 15 applying for a grant to submit with the grant application
 16 a form—

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

19 (2) authorizing the Secretary of the Treasury to
 20 disclose to the head of the executive agency informa-
 21 tion limited to describing whether the person has a
 22 seriously delinquent tax debt.

23 (b) IMPACT ON DETERMINATION OF FINANCIAL STA-
 24 BILITY.—The head of any executive agency, in evaluating
 25 any application for a grant offered by the agency, shall

1 consider a certification that the grant applicant has a seri-
2 ously delinquent tax debt to be definitive proof that the
3 applicant is high-risk and, if the applicant is awarded the
4 grant, shall take appropriate measures under guidelines
5 issued by the Office of Management and Budget for en-
6 hanced oversight of high-risk grantees.

7 (c) DEBARMENT.—

8 (1) REQUIREMENT.—Except as provided in
9 paragraph (2), the head of an executive agency shall
10 propose a person for debarment after receiving a
11 grant application from such person if—

12 (A) such application contains a certifi-
13 cation (as required under subsection (a)(1))
14 that such person has a seriously delinquent tax
15 debt; or

16 (B) the head of the agency receives infor-
17 mation from the Secretary of the Treasury (as
18 authorized under subsection (a)(2)) dem-
19 onstrating that such a certification submitted
20 by such person is false.

21 (2) WAIVER.—The head of an executive agency
22 may waive paragraph (1) with respect to a person
23 based upon a written finding of urgent and compel-
24 ling circumstances significantly affecting the inter-
25 ests of the United States. If the head of an executive

1 agency waives paragraph (1) for a person, the head
2 of the agency shall submit to Congress, within 30
3 days after the waiver is made, a report containing
4 the rationale for the waiver and relevant information
5 supporting the waiver decision.

6 (d) RELEASE OF INFORMATION.—The Secretary of
7 the Treasury shall make available to all executive agencies
8 a standard form for the authorization described in sub-
9 section (a).

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

15 **SEC. 5. DEFINITIONS AND SPECIAL RULES.**

16 For purposes of this Act:

17 (1) PERSON.—

18 (A) IN GENERAL.—The term “person” in-
19 cludes—

20 (i) an individual;

21 (ii) a partnership; and

22 (iii) a corporation.

23 (B) EXCLUSION.—The term “person” does
24 not include an individual seeking assistance
25 through a grant entitlement program.

1 (C) TREATMENT OF CERTAIN PARTNER-
2 SHIPS.—A partnership shall be treated as a
3 person with a seriously delinquent tax debt if
4 such partnership has a partner who—

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

7 (ii) has a seriously delinquent tax
8 debt.

9 (D) TREATMENT OF CERTAIN CORPORA-
10 TIONS.—A corporation shall be treated as a
11 person with a seriously delinquent tax debt if
12 such corporation has an officer or a shareholder
13 who—

14 (i) holds 50 percent or more, or a con-
15 trolling interest that is less than 50 per-
16 cent, of the outstanding shares of cor-
17 porate stock in that corporation; and

18 (ii) has a seriously delinquent tax
19 debt.

20 (2) EXECUTIVE AGENCY.—The term “executive
21 agency” has the meaning given such term in section
22 133 of title 41, United States Code.

23 (3) SERIOUSLY DELINQUENT TAX DEBT.—

24 (A) IN GENERAL.—The term “seriously de-
25 linquent tax debt” means an outstanding debt

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

4 (B) EXCEPTIONS.—Such term does not in-
5 clude—

6 (i) a debt that is being paid in a time-
7 ly manner pursuant to an agreement under
8 section 6159 or section 7122 of such Code;
9 and

10 (ii) a debt with respect to which a col-
11 lection due process hearing under section
12 6330 of such Code, or relief under sub-
13 section (a), (b), or (f) of section 6015 of
14 such Code, is requested or pending.

15 **SEC. 6. EFFECTIVE DATE.**

16 This Act shall apply with respect to contracts and
17 grants awarded on or after the date occurring 270 days
18 after the date of the enactment of this Act.

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