

Union Calendar No. 21

113TH CONGRESS
1ST SESSION

H. R. 882

[Report No. 113-35]

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

APRIL 12, 2013

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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”.

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. DISCLOSURE AND EVALUATION OF CONTRACT OF-**
12 **FERS FROM DELINQUENT FEDERAL DEBT-**
13 **ORS.**

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

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

22 (2) authorizing the Secretary of the Treasury to
23 disclose to the head of the agency information lim-
24 ited to describing whether the person has a seriously
25 delinquent tax debt.

1 (b) IMPACT ON RESPONSIBILITY DETERMINATION.—

2 The head of any executive agency, in evaluating any offer
3 received in response to a solicitation issued by the agency
4 for bids or proposals for a contract, shall consider a certifi-
5 cation that the offeror has a seriously delinquent tax debt
6 to be definitive proof that the offeror is not a responsible
7 source as defined in section 113 of title 41, United States
8 Code.

9 (c) DEBARMENT.—

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

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

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

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

1 (2) authorizing the Secretary of the Treasury to
2 disclose to the head of the executive agency informa-
3 tion limited to describing whether the person has a
4 seriously delinquent tax debt.

5 (b) IMPACT ON DETERMINATION OF FINANCIAL STA-
6 BILITY.—The head of any executive agency, in evaluating
7 any application for a grant offered by the agency, shall
8 consider a certification that the grant applicant has a seri-
9 ously delinquent tax debt to be definitive proof that the
10 applicant is high-risk and, if the applicant is awarded the
11 grant, shall take appropriate measures under guidelines
12 issued by the Office of Management and Budget for en-
13 hanced oversight of high-risk grantees.

14 (c) DEBARMENT.—

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

19 (A) such application contains a certifi-
20 cation (as required under subsection (a)(1))
21 that such person has a seriously delinquent tax
22 debt; or

23 (B) the head of the agency receives infor-
24 mation from the Secretary of the Treasury (as
25 authorized under subsection (a)(2)) dem-

1 onstrating that such a certification submitted
2 by such person is false.

3 (2) WAIVER.—The head of an executive agency
4 may waive paragraph (1) with respect to a person
5 based upon a written finding of urgent and compel-
6 ling circumstances significantly affecting the inter-
7 ests of the United States. If the head of an executive
8 agency waives paragraph (1) for a person, the head
9 of the agency shall submit to Congress, within 30
10 days after the waiver is made, a report containing
11 the rationale for the waiver and relevant information
12 supporting the waiver decision.

13 (d) RELEASE OF INFORMATION.—The Secretary of
14 the Treasury shall make available to all executive agencies
15 a standard form for the authorization described in sub-
16 section (a).

17 (e) REVISION OF REGULATIONS.—Not later than 270
18 days after the date of the enactment of this section, the
19 Director of the Office of Management and Budget shall
20 revise such regulations as necessary to incorporate the re-
21 quirements of this section.

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

23 For purposes of this Act:

24 (1) PERSON.—

1 (A) IN GENERAL.—The term “person” in-
2 cludes—

- 3 (i) an individual;
4 (ii) a partnership; and
5 (iii) a corporation.

6 (B) EXCLUSION.—The term “person” does
7 not include an individual seeking assistance
8 through a grant entitlement program.

9 (C) TREATMENT OF CERTAIN PARTNER-
10 SHIPS.—A partnership shall be treated as a
11 person with a seriously delinquent tax debt if
12 such partnership has a partner who—

- 13 (i) holds an ownership interest of 50
14 percent or more in that partnership; and
15 (ii) has a seriously delinquent tax
16 debt.

17 (D) TREATMENT OF CERTAIN CORPORA-
18 TIONS.—A corporation shall be treated as a
19 person with a seriously delinquent tax debt if
20 such corporation has an officer or a shareholder
21 who—

- 22 (i) holds 50 percent or more, or a con-
23 trolling interest that is less than 50 per-
24 cent, of the outstanding shares of cor-
25 porate stock in that corporation; and

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

3 (2) EXECUTIVE AGENCY.—The term “executive
4 agency” has the meaning given such term in section
5 133 of title 41, United States Code.

6 (3) SERIOUSLY DELINQUENT TAX DEBT.—

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

12 (B) EXCEPTIONS.—Such term does not in-
13 clude—

14 (i) a debt that is being paid in a time-
15 ly manner pursuant to an agreement under
16 section 6159 or section 7122 of such Code;
17 and

18 (ii) a debt with respect to which a col-
19 lection due process hearing under section
20 6330 of such Code, or relief under sub-
21 section (a), (b), or (f) of section 6015 of
22 such Code, is requested or pending.

1 **SEC. 6. EFFECTIVE DATE.**

2 This Act shall apply with respect to contracts and
3 grants awarded on or after the date occurring 270 days
4 after the date of the enactment of this Act.

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