

110TH CONGRESS  
1ST SESSION

# H. R. 2608

To amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide, in fiscal years 2008 through 2010, extensions of supplemental security income for refugees, asylees, and certain other humanitarian immigrants, and to amend the Internal Revenue Code to collect unemployment compensation debts resulting from fraud.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2007

Mr. McDERMOTT (for himself, Mr. WELLER of Illinois, Mr. STARK, Mr. ENGLISH of Pennsylvania, Mr. LEVIN, Mr. NEAL of Massachusetts, Mr. McNULTY, Mr. BECERRA, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide, in fiscal years 2008 through 2010, extensions of supplemental security income for refugees, asylees, and certain other humanitarian immigrants, and to amend the Internal Revenue Code to collect unemployment compensation debts resulting from fraud.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “SSI Extension for El-  
3 derly and Disabled Refugees Act”.

4 **SEC. 2. SSI EXTENSIONS FOR HUMANITARIAN IMMIGRANTS.**

5 Section 402(a)(2) of the Personal Responsibility and  
6 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.  
7 1612(a)(2)) is amended by adding at the end the fol-  
8 lowing:

9 “(M) SSI EXTENSIONS THROUGH FISCAL  
10 YEAR 2010.—

11 “(i) TWO-YEAR EXTENSION.—

12 “(I) IN GENERAL.—Except as  
13 provided in clause (ii), with respect to  
14 eligibility for benefits for the specified  
15 Federal program described in para-  
16 graph (3)(A), the 7-year period de-  
17 scribed in subparagraph (A) shall be  
18 deemed to be a 9-year period during  
19 fiscal years 2008 through 2010.

20 “(II) ALIENS WHOSE BENEFITS  
21 CEASED IN PRIOR FISCAL YEARS.—

22 “(aa) IN GENERAL.—Begin-  
23 ning on the date of the enact-  
24 ment of the SSI Extension for  
25 Elderly and Disabled Refugees  
26 Act, any qualified alien rendered

1 ineligible for the specified Fed-  
2 eral program described in para-  
3 graph (3)(A) during fiscal years  
4 prior to fiscal year 2008 solely by  
5 reason of the termination of the  
6 7-year period described in sub-  
7 paragraph (A) shall be eligible  
8 for such program for an addi-  
9 tional 2-year period in accord-  
10 ance with this clause, if such  
11 alien meets all other eligibility  
12 factors under title XVI of the So-  
13 cial Security Act.

14 “(bb) PAYMENT OF BENE-  
15 FITS.—Benefits paid under item  
16 (aa) shall be paid prospectively  
17 over the duration of the qualified  
18 alien’s renewed eligibility.

19 “(ii) PENDING NATURALIZATION AP-  
20 PPLICATION.—With respect to eligibility for  
21 benefits for the specified program de-  
22 scribed in paragraph (3) (A), subsection  
23 (a)(1) shall not apply during fiscal years  
24 2008 through 2010 to an alien described  
25 in one of clauses (i) through (v) of sub-

1 paragraph (A), if the alien has submitted  
 2 an application for naturalization that is  
 3 pending before the Secretary of Homeland  
 4 Security, and such submission is verified  
 5 by the Commissioner of Social Security ei-  
 6 ther by receiving a receipt number from  
 7 the alien for such submitted application or  
 8 by receiving confirmation from the Sec-  
 9 retary of Homeland Security.”.

10 **SEC. 3. COLLECTION OF UNEMPLOYMENT COMPENSATION**  
 11 **DEBTS RESULTING FROM FRAUD.**

12 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
 13 enue Code (relating to authority to make credits or re-  
 14 funds) is amended by redesignating subsections (f)  
 15 through (k) as subsections (g) through (l), respectively,  
 16 and by inserting after subsection (e) the following new  
 17 subsection:

18 “(f) COLLECTION OF UNEMPLOYMENT COMPENSA-  
 19 TION DEBTS RESULTING FROM FRAUD.—

20 “(1) IN GENERAL.—Upon receiving notice from  
 21 any State that a named person owes a covered un-  
 22 employment compensation debt to such State, the  
 23 Secretary shall, under such conditions as may be  
 24 prescribed by the Secretary—

1           “(A) reduce the amount of any overpay-  
2           ment payable to such person by the amount of  
3           such covered unemployment compensation debt;

4           “(B) pay the amount by which such over-  
5           payment is reduced under subparagraph (A) to  
6           such State and notify such State of such per-  
7           son’s name, taxpayer identification number, ad-  
8           dress, and the amount collected; and

9           “(C) notify the person making such over-  
10          payment that the overpayment has been re-  
11          duced by an amount necessary to satisfy a cov-  
12          ered unemployment compensation debt.

13          If an offset is made pursuant to a joint return, the  
14          notice under subparagraph (B) shall include the  
15          names, taxpayer identification numbers, and ad-  
16          dresses of each person filing such return and the no-  
17          tice under subparagraph (C) shall include informa-  
18          tion related to the rights of a spouse of a person  
19          subject to such an offset.

20          “(2) PRIORITIES FOR OFFSET.—Any overpay-  
21          ment by a person shall be reduced pursuant to this  
22          subsection—

23                 “(A) after such overpayment is reduced  
24                 pursuant to—

1           “(i) subsection (a) with respect to any  
2           liability for any internal revenue tax on the  
3           part of the person who made the overpay-  
4           ment;

5           “(ii) subsection (c) with respect to  
6           past-due support; and

7           “(iii) subsection (d) with respect to  
8           any past-due, legally enforceable debt owed  
9           to a Federal agency; and

10          “(B) before such overpayment is credited  
11          to the future liability for any Federal internal  
12          revenue tax of such person pursuant to sub-  
13          section (b).

14          If the Secretary receives notice from a State or  
15          States of more than one debt subject to paragraph  
16          (1) or subsection (e) that is owed by a person to  
17          such State or States, any overpayment by such per-  
18          son shall be applied against such debts in the order  
19          in which such debts accrued.

20          “(3) NOTICE; CONSIDERATION OF EVIDENCE.—  
21          No State may take action under this subsection until  
22          such State—

23          “(A) notifies the person owing the covered  
24          unemployment compensation debt that the

1 State proposes to take action pursuant to this  
2 section;

3 “(B) provides such person at least 60 days  
4 to present evidence that all or part of such li-  
5 ability is not legally enforceable or due to fraud;

6 “(C) considers any evidence presented by  
7 such person and determines that an amount of  
8 such debt is legally enforceable and due to  
9 fraud; and

10 “(D) satisfies such other conditions as the  
11 Secretary may prescribe to ensure that the de-  
12 termination made under subparagraph (C) is  
13 valid and that the State has made reasonable  
14 efforts to obtain payment of such covered un-  
15 employment compensation debt.

16 “(4) COVERED UNEMPLOYMENT COMPENSATION  
17 DEBT.—For purposes of this subsection, the term  
18 ‘covered unemployment compensation debt’ means—

19 “(A) a past-due debt for erroneous pay-  
20 ment of unemployment compensation due to  
21 fraud which has become final under the law of  
22 a State certified by the Secretary of Labor pur-  
23 suant to section 3304 and which remains uncol-  
24 lected;

1           “(B) contributions due to the unemploy-  
2           ment fund of a State for which the State has  
3           determined the person to be liable due to fraud;  
4           and

5           “(C) any penalties and interest assessed on  
6           such debt.

7           “(5) REGULATIONS.—

8           “(A) IN GENERAL.—The Secretary may  
9           issue regulations prescribing the time and man-  
10          ner in which States must submit notices of cov-  
11          ered unemployment compensation debt and the  
12          necessary information that must be contained  
13          in or accompany such notices. The regulations  
14          may specify the minimum amount of debt to  
15          which the reduction procedure established by  
16          paragraph (1) may be applied.

17          “(B) FEE PAYABLE TO SECRETARY.—The  
18          regulations may require States to pay a fee to  
19          the Secretary, which may be deducted from  
20          amounts collected, to reimburse the Secretary  
21          for the cost of applying such procedure. Any fee  
22          paid to the Secretary pursuant to the preceding  
23          sentence shall be used to reimburse appropria-  
24          tions which bore all or part of the cost of apply-  
25          ing such procedure.

1           “(C) SUBMISSION OF NOTICES THROUGH  
2           SECRETARY OF LABOR.—The regulations may  
3           include a requirement that States submit no-  
4           tices of covered unemployment compensation  
5           debt to the Secretary via the Secretary of Labor  
6           in accordance with procedures established by  
7           the Secretary of Labor. Such procedures may  
8           require States to pay a fee to the Secretary of  
9           Labor to reimburse the Secretary of Labor for  
10          the costs of applying this subsection. Any such  
11          fee shall be established in consultation with the  
12          Secretary of the Treasury. Any fee paid to the  
13          Secretary of Labor may be deducted from  
14          amounts collected and shall be used to reim-  
15          burse the appropriation account which bore all  
16          or part of the cost of applying this subsection.

17          “(6) ERRONEOUS PAYMENT TO STATE.—Any  
18          State receiving notice from the Secretary that an er-  
19          roneous payment has been made to such State under  
20          paragraph (1) shall pay promptly to the Secretary,  
21          in accordance with such regulations as the Secretary  
22          may prescribe, an amount equal to the amount of  
23          such erroneous payment (without regard to whether  
24          any other amounts payable to such State under such  
25          paragraph have been paid to such State).”.

1 (b) DISCLOSURE OF CERTAIN INFORMATION TO  
2 STATES REQUESTING REFUND OFFSETS FOR LEGALLY  
3 ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION  
4 DEBT RESULTING FROM FRAUD.—

5 (1) GENERAL RULE.—Paragraph (3) of section  
6 6103(a) of such Code is amended by inserting  
7 “(10),” after “(6),”.

8 (2) DISCLOSURE TO DEPARTMENT OF LABOR  
9 AND ITS AGENT.—Paragraph (10) of section 6103(l)  
10 of such Code is amended—

11 (A) by striking “(c), (d), or (e)” each place  
12 it appears in the heading and text and inserting  
13 “(c), (d), (e), or (f),”

14 (B) in subparagraph (A) by inserting “, to  
15 officers and employees of the Department of  
16 Labor and its agent for purposes of facilitating  
17 the exchange of data in connection with a re-  
18 quest made under subsection (f)(5) of section  
19 6402,” after “section 6402”, and

20 (C) in subparagraph (B) by inserting “,  
21 and any agents of the Department of Labor,”  
22 after “agency” the first place it appears.

23 (3) SAFEGUARDS.—Paragraph (4) of section  
24 6103(p) of such Code is amended—

1 (A) in the matter preceding subparagraph  
2 (A), by striking “(l)(16),” and inserting  
3 “(l)(10), (16),”;

4 (B) in subparagraph (F)(i), by striking  
5 “(l)(16),” and inserting “(l)(10), (16),”;

6 (C) in the matter following subparagraph  
7 (F)(iii)—

8 (i) in each of the first two places it  
9 appears, by striking “(l)(16),” and insert-  
10 ing “(l)(10), (16),”;

11 (ii) by inserting “(10),” after “para-  
12 graph (6)(A),”;

13 (iii) in each of the last two places it  
14 appears, by striking “(l)(16)” and insert-  
15 ing “(l)(10) or (16)”.

16 (c) EXPENDITURES FROM STATE FUND.—Section  
17 3304(a)(4) of such Code is amended—

18 (1) in subparagraph (E), by striking “and”  
19 after the semicolon;

20 (2) in subparagraph (F), by inserting “and”  
21 after the semicolon; and

22 (3) by adding at the end the following new sub-  
23 paragraph:

24 “(G) with respect to amounts of covered  
25 unemployment compensation debt (as defined in

1 section 6402(f)(4)) collected under section  
2 6402(f)—

3 “(i) amounts may be deducted to pay  
4 any fees authorized under such section;  
5 and

6 “(ii) the penalties and interest de-  
7 scribed in section 6402(f)(4)(B) may be  
8 transferred to the appropriate State fund  
9 into which the State would have deposited  
10 such amounts had the person owing the  
11 debt paid such amounts directly to the  
12 State;”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) Subsection (a) of section 6402 of such Code  
15 is amended by striking “(c), (d), and (e),” and in-  
16 sserting “(c), (d), (e), and (f)”.

17 (2) Paragraph (2) of section 6402(d) of such  
18 Code is amended by striking “and before such over-  
19 payment is reduced pursuant to subsection (e)” and  
20 inserting “and before such overpayment is reduced  
21 pursuant to subsections (e) and (f)”.

22 (3) Paragraph (3) of section 6402(e) of such  
23 Code is amended in the last sentence by inserting  
24 “or subsection (f)” after “paragraph (1)”.

1           (4) Subsection (g) of section 6402 of such  
2 Code, as redesignated by subsection (a), is amended  
3 by striking “(c), (d), or (e)” and inserting “(c), (d),  
4 (e), or (f)”.

5           (5) Subsection (i) of section 6402 of such Code,  
6 as redesignated by subsection (a), is amended by  
7 striking “subsection (c) or (e)” and inserting “sub-  
8 section (c), (e), or (f)”.

9           (e) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to refunds payable under section  
11 6402 of the Internal Revenue Code of 1986 on or after  
12 the date of enactment of this Act.

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