IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2012

Received; read twice and referred to the Committee on Homeland Security and Governmental Affairs

AN ACT

To amend title 5, United States Code, to provide that persons having seriously delinquent tax debts shall be ineligible for Federal employment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Employee Tax Accountability Act of 2012”.

SEC. 2. INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT.

(a) IN GENERAL.—Chapter 73 of title 5, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VIII—INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT

§ 7381. Definitions

“For purposes of this subchapter—

“(1) the term ‘seriously delinquent tax debt’ means an outstanding debt under the Internal Revenue Code of 1986 for which a notice of lien has been filed in public records pursuant to section 6323 of such Code, except that such term does not include—

“(A) a debt that is being paid in a timely manner pursuant to an agreement under section 6159 or section 7122 of such Code;

“(B) a debt with respect to which a collection due process hearing under section 6330 of such Code, or relief under subsection (a), (b),
or (f) of section 6015 of such Code, is requested or pending;

“(C) a debt with respect to which a levy has been issued under section 6331 of such Code (or, in the case of an applicant for employment, a debt with respect to which the applicant agrees to be subject to a levy issued under such section); and

“(D) a debt with respect to which relief under section 6343(a)(1)(D) of such Code is granted;

“(2) the term ‘employee’ means an employee in or under an agency, including an individual described in sections 2104(b) and 2105(e); and

“(3) the term ‘agency’ means—

“(A) an Executive agency;

“(B) the United States Postal Service;

“(C) the Postal Regulatory Commission;

and

“(D) an employing authority in the legislative branch.

§7382. Ineligibility for employment

“(a) In general.—Subject to subsection (c), any person who has a seriously delinquent tax debt shall be
ineligible to be appointed or to continue serving as an employee.

“(b) Disclosure Requirement.—The head of each agency shall take appropriate measures to ensure that each person applying for employment with such agency shall be required to submit (as part of the application for employment) certification that such person does not have any seriously delinquent tax debt.

“(c) Regulations.—The Office of Personnel Management, in consultation with the Internal Revenue Service, shall, for purposes of carrying out this section with respect to the executive branch, promulgate any regulations which the Office considers necessary, except that such regulations shall provide for the following:

“(1) All due process rights, afforded by chapter 75 and any other provision of law, shall apply with respect to a determination under this section that an applicant is ineligible to be appointed or that an employee is ineligible to continue serving.

“(2) Before any such determination is given effect with respect to an individual, the individual shall be afforded 180 days to demonstrate that such individual’s debt is one described in subparagraph (A), (B), (C), or (D) of section 7381(a)(1).
“(3) An employee may continue to serve, in a situation involving financial hardship, if the continued service of such employee is in the best interests of the United States, as determined on a case-by-case basis.

“(d) REPORTS TO CONGRESS.—The Director of the Office of Personnel Management shall report annually to Congress on the number of exemptions made pursuant to subsection (c)(3).

“§ 7383. Review of public records

“(a) IN GENERAL.—Each agency shall provide for such reviews of public records as the head of such agency considers appropriate to determine if a notice of lien (as described in section 7381(1)) has been filed with respect to an employee of or an applicant for employment with such agency.

“(b) ADDITIONAL REQUESTS.—If a notice of lien is discovered under subsection (a) with respect to an employee or applicant for employment, the agency may—

“(1) request that the employee or applicant execute and submit a form authorizing the Secretary of the Treasury to disclose to the head of the agency information limited to describing whether the employee or applicant has a seriously delinquent tax debt; and
“(2) contact the Secretary of the Treasury to request tax information limited to describing whether the employee or applicant has a seriously delinquent tax debt.

“(c) AUTHORIZATION FORM.—The Secretary of the Treasury shall make available to all agencies a standard form for the authorization described in subsection (b)(1).

“(d) NEGATIVE CONSIDERATION.—The head of an agency, in considering an individual’s application for employment or in making an employee appraisal or evaluation, shall give negative consideration to a refusal or failure to comply with a request under subsection (b)(1).

“§ 7384. Confidentiality

“Neither the head nor any other employee of an agency may—

“(1) use any information furnished under the provisions of this subchapter for any purpose other than the administration of this subchapter;

“(2) make any publication whereby the information furnished by or with respect to any particular individual under this subchapter can be identified; or

“(3) permit anyone who is not an employee of such agency to examine or otherwise have access to any such information.”.
(b) CLERICAL AMENDMENT.—The analysis for chapter 73 of title 5, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VIII—INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT

‘‘7381. Definitions.
‘‘7382. Ineligibility for employment.
‘‘7383. Review of public records.
‘‘7384. Confidentiality.’’.

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 9 months after the date of enactment of this Act.

Passed the House of Representatives July 31, 2012.

Attest: KAREN L. HAAS,
Clerk.