

113TH CONGRESS  
1ST SESSION

# H. R. 882

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IN THE SENATE OF THE UNITED STATES

APRIL 16, 2013

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

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## AN ACT

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 initiate a suspension or debarment proceeding  
13 against a person after receiving an offer for a con-  
14 tract from such person if—

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

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

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

1       ling circumstances significantly affecting the inter-  
2       ests of the United States. If the head of an executive  
3       agency waives paragraph (1) for a person, the head  
4       of the agency shall submit to Congress, within 30  
5       days after the waiver is made, a report containing  
6       the rationale for the waiver and relevant information  
7       supporting the waiver decision.

8       (d) RELEASE OF INFORMATION.—The Secretary of  
9       the Treasury, in consultation with the Director of the Of-  
10      fice of Management and Budget, shall make available to  
11      all executive agencies a standard form for the authoriza-  
12      tion described in subsection (a).

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

17      **SEC. 4. DISCLOSURE AND EVALUATION OF GRANT APPLI-**  
18                                   **CATIONS FROM DELINQUENT FEDERAL**  
19                                   **DEBTORS.**

20      (a) IN GENERAL.—The head of any executive agency  
21      that offers a grant in excess of an amount equal to the  
22      simplified acquisition threshold shall require each person  
23      applying for a grant to submit with the grant application  
24      a form—

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

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

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

16          (c) DEBARMENT.—

17               (1) REQUIREMENT.—Except as provided in  
18               paragraph (2), the head of an executive agency shall  
19               initiate a suspension or debarment proceeding  
20               against a person after receiving a grant application  
21               from such person if—

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

1 (B) the head of the agency receives infor-  
2 mation from the Secretary of the Treasury (as  
3 authorized under subsection (a)(2)) dem-  
4 onstrating that such a certification submitted  
5 by such person is false.

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

16 (d) RELEASE OF INFORMATION.—The Secretary of  
17 the Treasury, in consultation with the Director of the Of-  
18 fice of Management and Budget, shall make available to  
19 all executive agencies a standard form for the authoriza-  
20 tion described in subsection (a).

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

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

2 For purposes of this Act:

3 (1) PERSON.—

4 (A) IN GENERAL.—The term “person” in-  
5 cludes—

- 6 (i) an individual;  
7 (ii) a partnership; and  
8 (iii) a corporation.

9 (B) EXCLUSION.—The term “person” does  
10 not include an individual seeking assistance  
11 through a grant entitlement program.

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

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

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

- 25 (i) holds 50 percent or more, or a con-  
26 trolling interest that is less than 50 per-

cent, of the outstanding shares of corporate stock in that corporation; and

(ii) has a seriously delinquent tax debt.

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

(3) SERIOUSLY DELINQUENT TAX DEBT.—

(A) IN GENERAL.—The term “seriously delinquent tax debt” means an outstanding Federal 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.

(B) EXCEPTIONS.—Such term does not include—

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

(ii) 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.



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.

Passed the House of Representatives April 15, 2013.

Attest:

KAREN L. HAAS,

*Clerk.*