

At its core, this bill is about contractor and grant recipient accountability with taxpayer dollars. Whether we like it or not, the law requires we pay taxes. We expect the same from contractors and grant recipients.

To give you some perspective on how much money we are talking about, the Federal Government spends about \$1 trillion annually on contracts and grants, \$1 trillion on just contracts and grants.

Most recently, in fiscal year 2014, the Federal Government spent \$444 billion on contracts and \$591 billion on grants. That is a lot of money and demands a lot of tax compliance.

Over the years, the GAO—the Government Accountability Office—has identified thousands of Federal contractors with substantial amounts of unpaid taxes.

Here are a few examples given to us by the GAO. Tens of thousands of recipients of Federal grant and direct assistance programs collectively owed more than \$790 million in Federal taxes as of September 2006.

Approximately 27,000 defense contractors owed about \$3 billion; 33,000 civilian agency contractors owed roughly \$3.3 billion, and 3,800 General Services Administration contractors owed about \$1.4 billion in unpaid taxes. We are talking about roughly \$7.7 billion in uncollected taxes.

At least 3,700 Recovery Act contract and grant recipients owed more than \$750 million in known unpaid Federal taxes while receiving over \$24 billion in Recovery Act funds. We have 3,700 contractors that already owe \$750 million; and what do we do? We gave them \$24 billion in additional contracts.

GAO also found contractors were not paying payroll taxes or owed substantial property or other assets and still—still—didn't pay their taxes.

For example, under a VA-HHS contract for healthcare-related services, a contractor was paid more than \$100,000 in Federal funds. The contractor also had an unpaid tax debt of more than \$18 million. The owner was purchasing multimillion dollar properties and unrelated luxury vehicles while not fully paying its payroll taxes. It goes on and on.

The tax accountability problem has become a potential national security problem. In 2014, the GAO found 83,000 Department of Defense employees and contractors who held or were eligible for security clearances had unpaid Federal tax debt totaling more than \$730 million.

Now, not all contractors are tax cheats; the vast majority do pay their taxes on time and in full. Those who fail to satisfy their tax debt have a cost advantage over those who do pay their taxes.

You are competing for Federal contracts; you are competing for grants. Some pay taxes; some don't. Who do you think is going to give the lowest price and potentially get the next grant or contract? The person who can

undercut them because they don't pay their taxes—it is just not fair.

Further, many fulfill dangerous missions, invest in cutting-edge technology, and provide assistance for the poor and others in need.

Contractors who do not play by the rules should be held accountable.

Unfortunately, despite our past efforts, we haven't been able to get this bill over the finish line. I hope the House will again support this bill, as it did in the year 2013, and that the Senate will finally bring this bill up and pass it as they should. Hopefully, this Congress will be a bit different.

I urge my colleagues to support H.R. 1562.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of H.R. 1562, the Contracting and Tax Accountability Act.

This bill is nearly identical to a bill introduced in the last two Congresses by Chairman CHAFFETZ and is very similar to legislation reported by the Oversight Committee and passed by the House in the 110th Congress. I supported this legislation each time it has been introduced, and I continue to support it today.

The Government Accountability Office has reported that government contractors owed more than \$5 billion in unpaid Federal taxes in 2004 and 2005. Unpaid taxes owed by contractors include payroll taxes—amounts required to be withheld from employee wages—as well as corporate income taxes.

GAO has also found that some contractors with unpaid tax debts are repeat offenders that have failed to pay their taxes over many years, including one case for almost 20 years.

This legislation will allow the Federal Government to make sure that contractors seeking to do business with the Federal Government have paid their taxes before they can receive a Federal contract.

The Federal acquisition regulation was revised in 2008 to require contractors to certify that they do not owe a delinquent tax debt to the Federal Government. This bill builds on that requirement by providing Federal agencies the means to verify contractors' claims.

This legislation will also ensure that responsible contractors no longer have to compete with tax delinquents.

I would just like to reiterate that I fully support the legislation. It is imperative that we ensure that all contractors that are doing business with the government have complied with their tax obligations. I believe this bill does just that.

I urge all of our Members to support the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. CHAFFETZ. Mr. Speaker, I yield myself such time as I may consume.

I want to reiterate my pleasure in working with both sides of the aisle on

many, many pieces of legislation. We don't always agree, but I think the tone and tenor that is happening in the Oversight and Government Reform Committee is going in the right direction.

We have worked well with our staff. That wouldn't happen without the leadership of the ranking member, Mr. CUMMINGS, and I do appreciate it.

We have voted for this bill unanimously in the past. It is a new Congress with new Members, but I would encourage this passage today.

I believe in the spirit in which the President and previously Senator Obama has urged that Congress act on this issue. It is imperative that we act on this issue today, hopeful, with passage, that we would get the Senate to act as well. We are talking about billions of dollars of taxpayer money. It is the fair and right thing to do. I urge the passage of this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. CHAFFETZ) that the House suspend the rules and pass the bill, H.R. 1562.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. CHAFFETZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

FEDERAL EMPLOYEE TAX ACCOUNTABILITY ACT OF 2015

Mr. CHAFFETZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1563) to amend title 5, United States Code, to provide that individuals having seriously delinquent tax debts shall be ineligible for Federal employment, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1563

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employee Tax Accountability Act of 2015".

SEC. 2. INELIGIBILITY OF NONCOMPLIANT TAXPAYERS 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 NONCOMPLIANT TAXPAYERS FOR FEDERAL EMPLOYMENT

"§ 7381. Definitions

"For purposes of this subchapter—

"(1) The term 'seriously delinquent tax debt' means a Federal tax liability that has been assessed by the Secretary of the Treasury under the Internal Revenue Code of 1986 and may be collected by the Secretary by

levy or by a proceeding in court, 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 continuous 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 such a levy); and

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

“(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 individual 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 individual applying for employment with such agency shall be required to submit (as part of the application for employment) certification that such individual 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 applicable 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 requested and the number of exemptions granted under 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 has been filed pursuant to section 6323 of the Internal Revenue Code of 1986 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—

“(A) the employee or applicant has a seriously delinquent tax debt; or

“(B) there is a final administrative or judicial determination that such employee or applicant committed any act described under section 7385(b); and

“(2) request that the Secretary of the Treasury disclose any information so authorized to be disclosed.

“(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.

“§ 7385. Adverse actions for employees who understate taxes or fail to file

“(a) IN GENERAL.—

“(1) IN GENERAL.—Subject to subsection (c) and paragraph (2) of this subsection, the head of an agency may take any personnel action against an employee of such agency if there is a final administrative or judicial determination that such employee committed any act described under subsection (b).

“(2) PERSONNEL ACTIONS.—In paragraph (1), the term ‘personnel action’ includes separation but does not include administrative leave or any other type of paid leave without duty or charge to leave.

“(b) ACTS.—The acts referred to under subsection (a)(1) are—

“(1) willful failure to file any return of tax required under the Internal Revenue Code of 1986, unless such failure is due to reasonable cause and not to willful neglect; or

“(2) willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect.

“(c) PROCEDURE.—Under regulations prescribed by the Office of Personnel Management, an employee subject to a personnel action under this section shall be entitled to the procedures provided under sections 7513 or 7543, as applicable.”

(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 NON-COMPLIANT TAXPAYERS FOR FEDERAL EMPLOYMENT

“7381. Definitions.

“7382. Ineligibility for employment.

“7383. Review of public records.

“7384. Confidentiality.

“7385. Adverse actions for employees who understate taxes or fail to file.”

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.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. CHAFFETZ) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentleman from Utah.

GENERAL LEAVE

Mr. CHAFFETZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. CHAFFETZ. Mr. Speaker, I yield myself such time as I may consume.

Let me be clear right away. We have got great Federal workers. They care; they are patriotic; they work hard, but we have got a few that are bad apples. We have got to give the tools necessary to the leadership within the administration to do what is right and, if necessary, allow them latitude to let those people go.

We voted on a similar bill years ago before I got into Congress. We gave this right and authority. We gave it to the IRS. Guess what, the IRS has the best tax compliance in all Federal Government—who would have thought.

I was pleased to see that Congressman STENY HOYER voted for that piece of legislation, that Congressman ELIJAH CUMMINGS voted for that legislation.

We want to take that same power, that same right that we gave the IRS years ago because it worked—it worked—and we want to give that to the other departments and agencies.

Now, there are a lot of exceptions; there are a lot of ways to get out of this, but the basic principle is true. One, Federal workers do a better job of paying their taxes than the general public, and we should pat them on the back, and we should recognize them for that; but, two, when you do have a few bad apples, you have got to allow leadership the ability to let those people go if they continue to thumb their nose at the system and the taxpayers.

We just heard testimony from the DEA: I can't fire anybody, even though they were engaged in some very nefarious activity.

We heard the administrator of the EPA say: I can't let anybody go, even though the person is watching 4 hours of porn a day.

Four hours a day, they couldn't fire them. Let's give them some latitude because we have a test case. It has worked. We want tax compliance.

The President's fiscal year 2016 budget asks American taxpayers to spend \$275 billion to pay Federal workers an average salary of more than \$78,000; yet the IRS reports that more than 100,000 Federal civilian employees owed more than \$1 billion in unpaid Federal income taxes in 2014—more than \$1 billion.

□ 1530

Now, there are lots of reasons people can't do that. There are people who need to have their wages garnished, and they are. There are people who are disputing what the IRS said. Again, this bill doesn't affect those people. The adjudication process continues on, and this bill doesn't affect those people. As a last resort, we need a tool that the IRS has for its employees. We need that tool for the other departments and agencies because, like it or not, the law requires that we pay taxes.

Five years ago, President Obama directed his administration to crack down on tax cheats. It was specifically targeting and discussing contractors, but I would argue that the same principle for contractors should be in place for Federal employees. How can you look the contractors and the employees in the eyes and say, Well, we have got two totally different standards of principles? The principle is the same—pay your taxes, and there is not a problem. If you are in trouble and if you are trying to get out of it, not a problem. We will work with you. Yet, for those of you who are just screwing over the American taxpayer, bye-bye. You can't even apply.

The President said:

All across this country, there are people who meet their obligations each and every day. You do your jobs. You support your families. You pay the taxes you owe—because it's a fundamental responsibility of citizenship.

I totally and wholeheartedly agree.

The Federal Employee Tax Accountability Act makes individuals with seriously delinquent tax debt ineligible for Federal employment. It is defined as an outstanding Federal tax debt that has been assessed and may be collected by levy or court proceeding. The legislation does not affect employees who are working to settle their tax disputes or resolving outstanding liabilities.

I want to also remind everybody that the committee and I, as the prime sponsor, accepted every Democrat amendment that was offered—100 percent.

Several other safeguards are carved out in the bill, including provisions offered by the minority in the previous Congresses.

Individuals are provided full due process rights and have an additional 180 days to demonstrate their debts meet one of the exemptions of the bill. That was, I believe, offered by Congressman LYNCH. We accepted it. We thought we would get broader support because of it, and we would hope we would today.

The bill also provides a financial hardship exemption if the individual's service is in the best interest of the United States. The person who is leading that department or agency still has discretion. If he says, It is in the best interest, in my judgment, for the United States to continue to have this person serve, he is allowed to continue to serve.

The bill demonstrates a simple principle: individuals collecting Federal salaries funded by taxpayers have to follow the rules and pay their taxes.

Those charged with the stewardship of our Federal resources and programs should not be delinquent in their taxes. As all Americans file their taxes today, so should Federal employees, and most of them do—in fact, at better rates than civilians do.

Last month, in testimony before the committee, the GAO warned Congress of tens of thousands of Federal employees who were eligible for security clearances but who still had unpaid tax debts. I would argue that that is a potential security risk. It shows a vulnerability.

During the hearing, Members discussed the IRS employees' high rate of tax compliance.

From 2009 to 2013, IRS employees had a 0.8 percent delinquency rate compared to 3.3 percent for civilian workers throughout the government.

The IRS Restructuring and Reform Act of 1998, which, again, Mr. HOYER, Mr. CUMMINGS, and a host of other people voted in favor of, requires the removal of IRS employees who are found to have willfully failed to have filed their tax returns and who have willfully understated their Federal tax liabilities.

The House passed the conference report for this bill by a vote of 402-8. Overwhelming. I have never heard another Member complain that the IRS has this provision in place. Let's even the playing field. Let's give that same tool to the rest of the Federal Government. Don't give it just to the IRS. Give it to the Department of Defense. Give it to the other departments and agencies because the financial results of that work.

This bill makes Federal workers subject to the same standard as that for IRS employees. Not all Federal workers are tax cheats. This is not about politics. I appreciate the good work that has gone on in this bill. Unfortunately, despite past efforts, we have not been able to get this bill over the finish line. I hope the House will again support the bill, as it did in 2012, and that the Senate will act on this bill.

With that, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong opposition to H.R. 1563, the Federal Employee Tax Accountability Act of 2015.

The bill seeks to resolve a problem of tax compliance that simply does not exist—a fact confirmed by the Internal Revenue Service. This measure is based on ideology rather than on facts, and it will perpetuate a negative image of Federal workers.

This legislation is very similar to H.R. 249, introduced in the last Congress, which I opposed in committee and on this House floor. I remain opposed to this legislation because the purpose and intent of the bill is the

same as the measure from last Congress. It would require Federal agencies to fire Federal employees who are delinquent in paying their taxes.

Everyone, including Federal employees, should pay their taxes. There is no argument on that. My Republican colleagues seem to believe that there is a serious problem with Federal employees not paying their taxes and that it requires a legislative fix. There is not, and the chairman, I think, admitted that.

Last Congress, after committee consideration, former committee chairman—Chairman ISSA—and I sought information from the IRS on their rules and procedures regarding debt collections, options for resolving delinquencies, and payment options. Without waiting for these answers, the Republican leadership rushed this bill to the floor. During this Congress, we were able to obtain valuable information from the IRS which the Republicans have chosen to ignore by bringing this legislation to the floor.

The IRS has a mechanism in place already to recoup funds from Federal employees who fail to pay their taxes. It is known as the Federal Payment Levy Program. Under this program, the IRS can impose a continuous levy on Federal salaries and pensions up to 15 percent until the debt is paid. The IRS can initiate additional levies in cases when it determines that it is appropriate to do so. Data from the IRS shows that all Federal employees who owe taxes and who do not qualify for financial hardship exemptions or who are not involved in bankruptcy, litigation, or pending offers in compromise are subject to having their wages levied. That can happen today.

Since the start of the levy program, the IRS has been extremely successful in recovering delinquent taxes from Federal employees. According to the IRS, the levy program has collected over \$5 billion since 2000. These facts indicate that the IRS is succeeding in recovering delinquent taxes in 100 percent or in nearly all cases involving Federal employees. The fact is that the IRS has confirmed that it does not have a problem in collecting delinquent taxes from Federal employees. Therefore, Mr. Speaker, I do not see a problem with the government's ability to recover delinquent taxes from Federal employees.

I do not understand why, despite this fact, we are debating this measure on the floor today. According to the IRS, the 2014 tax compliance rate for the Federal community was 97 percent. This is higher than the 95 percent tax compliance rate for Members and staffs of the House of Representatives. It is also much higher than the 91 percent compliance rate for the general public.

This legislation is designed to demonize Federal employees rather than to help the government recoup delinquent taxes. It is interesting to note that we want to collect the taxes, but we will never get them if we fire people. In fact, the Congressional Budget

Office concluded that these proposals would increase costs, by the way, to the taxpayers. Let me repeat. The CBO determined that these provisions would actually increase costs. That is because it would require agencies to spend time and resources in reviewing public records to find tax liens filed against current or prospective employees even though the gains would be minimal. Keep in mind that we already have a process to levy these funds that might be delinquent.

For these reasons and more, I urge my colleagues to join me in opposing this measure.

I reserve the balance of my time.

Mr. CHAFFETZ. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from North Carolina (Mr. MEADOWS).

Mr. MEADOWS. I thank the chairman for his leadership on this particular issue.

Mr. Speaker, I think it is important to talk about what this bill is and what it is not.

When we talk about tax compliance, it becomes very easy to focus on those hardship cases, very easy to focus, as the gentleman opposite just talked about, on that 3 to 5 percent, depending on which agency you are talking about. This bill is really not about those with hardship cases, as there is already an exemption there. This bill is not about trying to penalize Federal workers. It is really about fairness, Mr. Speaker.

Why is it fair that 97 percent in some agency—94 and 95 in others—pay their taxes on time, and yet we continue to give others a free pass?

My friend opposite would many times suggest, Oh, well, they are complying better than this group and that group; but we need to look no further than the IRS because the IRS implemented a different standard within their agency. Guess what happened, Mr. Speaker? Their compliance went way up. They have one of the best records, that we get to oversee, with the Federal employees.

When we started to look at this, the chairman was very careful to make sure that hardship cases—the ones that all of our hearts go out to when people have family situations that preclude them from being able to pay their taxes on a timely basis—are an exemption. Yet I would say, whether it is Congress or whether it is the Federal employees, we are held to a different standard because we are paid with the hard-working American taxpayers' dollars. It is a higher standard than the private sector's. It is difficult for us to acknowledge that, but we are under the scrutiny that we should be because we have the authority to tax and spend. When you have both of those authorities, Mr. Speaker, it is a different standard.

I, for one, can tell you that, from the Federal employees' standpoint, it is all about making sure that we are fair to them. What happens is, when the headline is "Federal employees are not pay-

ing their taxes," for whatever reason it may be, it paints in a bad light the hundreds of thousands of Federal workers who do everything right and on time.

Mr. Speaker, I think that what we must do is not only address this for the integrity of the American people but address it for the integrity and the spirit of those Federal workers as well.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Again, I want somebody to answer for me: How do you get the money from somebody who is fired, who has no job?

With that, I yield to the gentleman from Maryland (Mr. HOYER), my friend.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Speaker, the ranking member said this was a bill to solve a non-existent problem. Everybody ought to pay their taxes—everybody. Everybody ought to pay their taxes. Now, if you are really rich, you can find an accountant who can find you about every loophole there is that we have given. You want to have a bill on the floor closing loopholes.

□ 1545

The chairman admits that Federal employees pay their taxes voluntarily and correctly at a higher percentage than the general public. Should every one of them pay? Should it be 100 percent? The chairman is right; it should be 100 percent.

The gentleman from North Carolina talks about our Federal employees, and they ought to be treated correctly. We are their board of directors. I will tell you, folks, if any board of directors of any large corporation in America treated its employees the way we treat them, they would all quit, and the company would go bankrupt, because we treat our Federal employees very poorly—very poorly.

The general public, of course, thinks they are loafing and they are not working hard and this, that, and the other, and that is wrong. We have the best civil service in the world.

This does convey the message that somehow you are not doing what you are supposed to do. I know the gentleman gets up and says this is a very small percentage. When a Member of Congress doesn't pay his taxes and he gets indicted and he has to quit this body, it besmirches all of us.

The gentleman from Maryland is absolutely correct. It has not been mentioned, but there is a provision in law that allows the IRS to go in and take the salary of Federal employees. That is what the gentleman is talking about. Unlike the private sector, where you have to go through a lot of rigmarole—properly so, to protect the taxpayer—the Federal employee is subjected to the IRS having special authority going and taking part of their salary.

Now, by the way, this mentions Federal employees. I don't know whether the ranking member knows the answer to this, but are Members of Congress

included in that definition? The answer? The gentleman is shaking his head, saying no. Yet the Congress as an institution has a lower rate of paying, some 95 percent as opposed to 97 percent, of Federal employees.

What is this all about? This is about, frankly, saying government is bad and the people who work for them aren't so hot either. Now, I don't think the gentleman from Utah thinks that is the message. I understand that. The gentleman is my friend. I like him. He is a bright and able fellow. But that is the message we are sending. It's a bad message.

I will tell you, I represent 62,000 Federal employees, and I tell all of them and all the unions, if they are not performing their job, if they are watching television 4 hours a day, they ought to be fired. I will support the gentleman in that effort because we ought to demand performance, and that is why we have, in the IRS Code, you can take the salary if they are not paying their taxes. That is not true of any other employee in America. You have got to go through a legal process, et cetera, et cetera, as you should.

So I would urge my colleagues to defeat this bill, as we did in the last Congress on suspension, and yes, tell all of our employees, "You need to pay your taxes," and make sure if they don't, IRS gets their fees; and if they are not performing their task and it undermines their performance, then we ought to subject them, just as every other employee, to being removed, but not simply to say, arbitrarily, this employee, these employees, our employees, America's employees, will be treated more harshly than the American people and the American workers around this country are treated. Treat them the same. That is fair. That is what they hope for.

We shut down government for 16 days, sent our employees home. The gentleman from North Carolina talked about there are some bad circumstances for some people: they have got to pay a mortgage payment or a rent payment or a car payment or a college tuition. We sent them home and we said: We are not paying you. We came back later and we said: Oh, no, we are going to pay you. But we caused them a great deal of angst.

I will tell you this: that is not the way to treat people. We didn't send them home because we didn't have the money to pay for them. We didn't send them home because America was bankrupt. We sent them home because we disagreed with a policy the President was pursuing or we wanted to repeal the Affordable Care Act, over which they had no control. But we sent them home without pay. Very frankly, those who were critical employees we kept working, but we didn't pay them. What way is that to run any organization, much less the greatest country on the face of the Earth?

I urge my colleagues, show respect and fairness to those who work for our

country in the civil service of our country. Reject this legislation. Vote "no."

Mr. CUMMINGS. Mr. Speaker, I reserve the balance of my time.

Mr. CHAFFETZ. I yield myself such time as I may consume.

Mr. Speaker, we have heard speeches on this floor about fairness, about treating them the same. I will remind Members that on June 25, 1998, the IRS Restructuring and Reform Act—which Mr. HOYER, Mr. CUMMINGS, and others voted in favor of—gave this same power and authority to the IRS, gave them the same authority and power. Why not treat them equally and fairly? Why not treat them exactly the same as the IRS employees? Why are the IRS employees treated so unfairly?

Other Members that are standing here on this floor today voted in favor of that bill. So it was okay back then, just gave it to them. Guess what; tax compliance went up.

I take issue with this quote, "ideology rather than facts." The facts are, every single year the number of Federal employees not paying their Federal taxes has gone up. In fact, in 2008, we roughly didn't collect \$962 million; in 2014, \$1.14 billion.

If you pay your taxes, you are trying to pay your taxes, you don't have a problem. But if you want to be fair, if you want to be the same, if you want to treat them equally, then give the other departments and agencies the same power that we gave the IRS.

Mr. HOYER. Will the gentleman yield?

Mr. CHAFFETZ. I yield to the gentleman from Maryland.

Mr. HOYER. What other employee in America is subject to being fired because they don't pay taxes? Does the gentleman want to include either Members of Congress in this bill or all private sector employees?

Mr. CHAFFETZ. Reclaiming my time, I appreciate the spirit in which that is asked. I would hope the gentleman would join me in cosponsoring H.R. 1564, the Members of Congress Tax Accountability Act. There are constitutional reasons why we can't include them in this provision, but this bill has been referred to the Committee on House Administration, and I would encourage all Members to get behind this because there should be a higher standard for Members of Congress. That should be more readily available to the public. You should have to disclose that liability. Right now, you don't. So I introduced that bill as well.

I would also argue that Federal employees taking taxpayer dollars have a high standard and that the evidence that we have—and I have said it repeatedly, and I know the gentleman has heard this—Mr. Speaker, Mr. HOYER voted in favor of this same bill years ago, and it has worked. I have never heard anybody say, "This is a problem. We have got to change this. We have got to take it out." I have never heard anybody offer an amend-

ment. In fact, we accepted 100 percent, every amendment that was offered by the Democrats. We accepted them. We accepted them.

I want to tackle a couple other things.

Mr. HOYER. I don't think I got the answer to the private sector employees.

Mr. CHAFFETZ. Fair enough.

Reclaiming my time, since I didn't yield it, but reclaiming my time, I said, clearly, I don't think this should be part of the private sector. I think working for the Federal Government is a privilege, it is an honor, and I take great exception, Mr. Speaker, to the idea and the notion that we treat Federal workers so poorly that if we were a company everybody would quit. Well, they can quit. They don't. You look at the turnover rate in the private sector versus the turnover rate in the Federal Government, we treat them pretty darn well.

Can we do things better? Yes. Part of that is weeding out the bad apples. If you are sitting there watching pornography on your computer 4 hours a day, then you should be fired. If you are a DEA agent down serving in Colombia and you have sex slaves coming before you paid by them, then you should fire them. If you are a Federal worker thumbing your nose at the Federal Government, not paying your taxes, then you should be eligible to be fired by the supervisor. That supervisor, don't we trust them to make that decision and say: You know what? This person is so vital, they do such good work, we are going to keep them?

But you know what? 24,833 Federal employees didn't even file a Federal tax return, didn't even file one last year. Is that too small a percentage to worry about? How do you look people in the eye who are all working in this room at some government office and they are all paying their taxes, but these eight yahoos over here aren't paying their taxes?

I believe that standing up for the Federal workers means, you know what, we owe it to all of you that are doing a good job to make sure that they are too. If they don't and they are not getting good, guess what. A, you are not going to be hired, and, B, you are eligible to be fired.

Mr. Speaker, it is exactly what Mr. HOYER voted for, and it worked. It worked. It was a good piece of legislation. It was a good vote. Guess what. The IRS now has the highest—less than 1 percent of their people don't pay their Federal taxes. Give that same tool to the other departments and agencies, and I think we will have even better compliance, and we can look the American people in the eye and say: You know what? We are doing everything we can. Stop picking on Federal employees.

I reserve the balance of my time.

Mr. CUMMINGS. I yield 1 minute to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I would hope the gentleman would make it very, very clear he is not making an analogy between the two instances that he cited for firing, on which I would agree with him, and a Federal employee, for whatever reason, says: Mr. MEADOWS may not have paid his taxes. Certainly the gentleman is not making an analogy between the two instances he cited and the latter, I hope; because if he is, he is doing exactly what I think this bill does.

Mr. CUMMINGS. Mr. Speaker, may I inquire how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Maryland has 7½ minutes remaining. The gentleman from Utah has 4½ minutes remaining.

Mr. CUMMINGS. I yield 2½ minutes to the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY. I thank my friend from Maryland.

Mr. Speaker, we have heard some words here on the floor describing this bill as simply actually a bill to protect Federal workers who are in compliance from that small percentage who aren't. We had a hearing today in the Subcommittee on Government Operations of the committee of which Mr. CHAFFETZ is full committee chair, and I asked the question of the tax advocate of the IRS: How would you characterize 97 percent compliance when the broad public compliance with tax compliance is 83 to 86 percent? So how would you characterize 97 percent? The answer was: Extraordinary.

This is a solution in search of a problem, and the protestations to the contrary notwithstanding, this is another way—albeit cloaked in respectability and sanctimony—of whacking Federal employees again. We just heard it: scratch the surface, and suddenly they are all watching pornography; they are all sitting around not doing work; they are all, in fact, not filing taxes, and they ought to be fired—let me go through the list of firing offenses—allowing the impression that this actually characterizes the Federal workforce.

My friend, the minority whip, said that if you were a CEO and managed your company this way, you would be fired or your company would go out of business. My friend from Utah took exception to that. But for those who say we ought to run the Federal Government as a private company, what CEO would keep his or her job who froze wages for 3 years; who disparaged his workforce as being overcompensated, unproductive, lazy, too many of them, and we are going to crack down on you; go after their benefits and make sure they are reduced; threaten not to pay your bills while you are at it? What company would stay in business? What CEO would ever get away with that? That is what we are doing here.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CUMMINGS. I yield an additional 10 seconds to the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY. We are disparaging the Federal workforce. No matter how you put lipstick on a pig, it is still a pig.

□ 1600

Mr. CHAFFETZ. Mr. Speaker, I remind the gentleman in this room that it was President Obama who introduced the pay freeze.

I yield 2 minutes to the gentleman from South Carolina (Mr. MULVANEY).

Mr. MULVANEY. Mr. Speaker, I was in my office watching some of this dialogue, and I will pick right up where the gentleman from Virginia just left off.

This is not an attack on Federal workers. I sat on the subcommittee, Mr. Speaker, when we had the hearing on this issue. This is not an attack on Federal workers. This has absolutely nothing to do with Federal workers and everything to do with taking care of the people who pay for those Federal workers, taking care of the people who pay the taxes.

The story was told of what happened yesterday in the hearing about the DEA. You can accept the services of a prostitute from a drug lord, let the drug cartel members watch your guns and your cell phone, and still not get fired.

It is not an attack on Federal workers. People back home see that and think that we are crazy. They think we are completely nuts and that we do not know how to run the country. You have to look at that hearing yesterday and think: you know what, they may be right.

This bill is an attempt to at least try to send the message back home to people and make it very clear: if someone is going to audit you for not paying your taxes, at the very least that person will have paid their taxes.

That is not a slam on Federal workers. It is going to the American people who pay the taxes and saying: look, we may not do the best we possibly can, but at least we pay attention to some things, and we are going to make sure that the people that are auditing you are at least following the law that they are making you follow.

That is not an unreasonable thing to ask for, and it is certainly not an attack on the larger Federal workforce. It is simply trying to reaffirm for people back home that we are not absurd and that we are not crazy and that we are not running this country in any mindless fashion, that we actually do pay attention to what is important to folks back home.

If we can't fire the guys taking the prostitutes from the drug lords, maybe we can make sure the people doing the audits pay the taxes. That is what this bill is about, which is why it should pass.

Mr. CUMMINGS. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. I thank my good friend for yielding.

Mr. Speaker, let's put in context what is happening on this floor today. This is tax day, and what the majority does each tax day is pull out tax bills. Some of them are good bills; some of them have the appearance of everything but the kitchen sink.

There are some Members of their party who are running for President on abolishing the IRS. Well, you can't abolish it; so what they are doing is targeting working people in the Federal Government to point out that Republicans are not asleep on tax day.

What the Republican majority is doing today is a gratuitous, useless, slap in the face of Federal employees who apparently do understand that they have an affirmative duty, even beyond others, to pay their taxes because they do so at a rate that is almost twice that of the general public which is more than twice that of other Americans.

The best that can be said about this bill is that it is entirely superfluous. It does what already can be done. What can be done is this: existing statutory authority gives the Federal Government, the IRS, the ability to collect Federal, State, and local taxes from all Federal employees.

If federal agencies find that there is a delinquent taxpayer, they can already, under Federal law, go from counseling to removal for all Federal employees. That is in the law already, my friends.

In their wisdom, Congresses in the past have wanted to keep Federal employees paying their taxes until they paid them off, so Congress didn't cut off its nose to spite its face by taking away their jobs as this bill allows.

They tried something that has worked, the Federal Employee/Retiree Delinquency Initiative, which matches up Federal employees in all the agencies, not just the IRS, with delinquencies so they have their very low delinquency rate today.

The IRS also can levy past the usual limit of 15 percent until the government gets all its money. The IRS have the discretion to do this for all Federal employees, not only IRS employees.

The SPEAKER pro tempore (Mr. MOONEY of West Virginia). The time of the gentlewoman has expired.

Mr. CUMMINGS. I yield the gentlewoman an additional 15 seconds.

Ms. NORTON. Chairman ISSA called this bill entirely cosmetic—conceded that this bill was cosmetic when it was introduced before.

If you want to do something about taxes for the American people, stop cutting the IRS so that the IRS can start collecting taxes and cutting the deficit.

Mr. CHAFFETZ. Mr. Speaker, I have no additional speakers, and I reserve the balance of my time to close.

Mr. CUMMINGS. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Maryland (Mr. CUMMINGS) has 2¾ minutes remaining.

Mr. CUMMINGS. I yield 2 minutes to the gentleman from Massachusetts (Mr. LYNCH), my good friend.

Mr. LYNCH. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong opposition to H.R. 1563, the Federal Employee Tax Accountability Act.

I just want to point out that this is indeed about Federal employees, the Federal Employee Tax Accountability Act. It is all about Federal employees.

While I have the greatest respect for the gentleman from Utah (Mr. CHAFFETZ), I remain concerned that the practical effect of H.R. 1563 will be to significantly diminish the privacy rights of our dedicated Federal workforce.

It is important to note that Internal Revenue Code section 6103 provides that all citizens, for all citizens, Federal tax information—including tax returns, annual wage and tax statements, and tax penalty notices—is strictly confidential and must remain in the trust of only the IRS. It must remain in the trust of only the IRS and the individual taxpayer. That is it. It is not open to general knowledge.

Under this bill, though, tax information—which now includes health information because of the Affordable Care Act—is all going to be shared among every single Federal agency to take so-called adverse personnel actions against one of its employees where the agency finds that an individual has willfully fallen behind on his or her taxes or failed to file a return on time.

Now, we have completely blown this out. If it is not about Federal employees, this is what we are going to do to every American taxpayer. We are basically deputizing the bosses of all these Federal employees to be able to delve into their personal tax information, their personal healthcare information that is now held by the IRS.

We are blowing this completely out so that we are damaging all of these Federal employees' privacy rights, and we also present the possibility that, in the future, this will be done to every American citizen. This is not a good idea.

I think that we have every opportunity to make sure the people pay their taxes. There is a greater compliance rate among Federal employees than there is among the general public.

Mr. Speaker, I rise in strong opposition to H.R. 1563, the Federal Employee Tax Accountability Act of 2015. While I have the greatest respect for the gentleman from Utah, Chairman CHAFFETZ, I remain concerned that the practical effect of H.R. 1563 will be to significantly diminish the privacy rights of our dedicated Federal workforce.

Importantly, Internal Revenue code section 6103 provides that all federal tax information—including tax returns, annual wage and tax statements, and tax penalty notices—is strictly confidential and must remain in the trust of only the Internal Revenue Service and the individual taxpayer. Current law therefore prohibits any federal agency—other than the I.R.S.—from delving into personal tax information to determine an individual's tax compliance status.

In stark contrast, H.R. 1563 would authorize the head of not only the I.R.S. but every federal agency to take so-called “adverse personnel actions” against one of its employees where the agency finds that an individual has wilfully fallen behind on his or her taxes or failed to file a return on time. In order to defend yourself against such an adverse personnel action under H.R. 1563, you must demonstrate that your failure to pay your taxes or file a return on time stemmed from a “reasonable cause.”

In other words, this bill deputizes agency administrators, managers, and foremen as bonafide tax investigators—authorizing them to examine and determine the tax compliance status of agency employees. In addition, H.R. 1563 essentially requires all federal workers to affirmatively defend their failure to pay taxes or file a return on time by requiring them to provide agency management with specific and satisfactory reasons for their non-compliance. If you're behind on your taxes because you went through a health care crisis and want to keep your federal job, you're going to have to share the details of your medical emergency with your employing agency under this bill. If you're behind on your taxes because you're going through a divorce but still want to keep working at your federal agency, you're going to have to disclose the facts surrounding your divorce to your federal manager.

Now, I understand that this bill may seek to address those rare instances where federal bad actors intentionally try to cheat on their taxes. In practice, however, H.R. 1563 will broadly diminish the tax privacy rights of all federal employees. That's in spite of the 97% tax compliance rate for federal workers reported to our committee by the I.R.S. for 2014. It's also in spite of the existing federal payment levy program that already allows the I.R.S. to levy federal salaries and wages in order to recover delinquent tax debts in a cost-effective manner.

Mr. Speaker, I don't believe that the solution to achieving 100% tax compliance across the federal workforce is to waive the individual privacy rights of dedicated federal workers across the board. I urge my colleagues on both sides of the aisle to oppose this legislation.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Unfortunately, all that is in this bill is pure symbolism without any substance, and it is very, very sad. I am disappointed to say that the House majority seems more interested in ideology and political messaging rather than facts and evidence.

Here are the facts. There is no problem to solve. The IRS confirmed that they have no problem collecting delinquent taxes from Federal employees. Federal employees have a much higher tax compliance rate than the American public and even Members of Congress and their staffs.

CBO has estimated that implementation of this measure will actually increase the cost to American taxpayers.

I, again, ask the question: When somebody is fired and does not have a job, where does the money come from? The fact is that we already have mechanisms in place to get the money. I do believe with all my heart that this is

another effort to demonize our Federal employees, and it is very, very sad.

I urge all Members to vote against this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. CHAFFETZ. Mr. Speaker, I yield myself such time as I may consume.

Here are the facts. I just love it when Washington, D.C., says, Oh, there is no problem. We have got a hundred thousand-plus people—Federal employees—who don't pay about \$1.1 billion in taxes. That number is up from \$962 million in 2008.

The problem is getting worse, but there is one department, one agency, where it is getting better, where it did improve, and it was in the IRS. We should pat them on the back.

There is one fundamental thing that we changed. In a bill that was voted on and supported by Mr. CUMMINGS and Mr. HOYER and the 400-plus Members of this body, the Congress gave the ability and the authority to the head of the IRS to terminate the employment of one of their workers if they are not paying Federal taxes.

Guess what. Now, they have the best tax compliance rate in the Federal Government. Let's give that same tool to the rest of the departments and agencies.

You know what is a slap in a face to the Federal worker? When you don't get rid of the bad apples. When you have got somebody who is thumbing their nose, not playing by the rules, not doing what they are supposed to be doing. Guess what. It goes into the morale of the institution.

I think, as a Federal employee being paid by the taxpayers, one of your fundamental responsibilities is to file and pay your Federal taxes.

A fact: last year, we had 24,833 people who, as Federal employees, didn't even file a return. Can we solve that? Absolutely, we can solve that. We should require it.

When somebody goes to fill out an application, they should certify that they are fully compliant with the taxes. If there is a hardship, if they are in dispute over taxes owed, if their spouse gets into problems, if they are having their wages garnished, there are all of these outs.

Even at the finish line, based on an amendment offered by Mr. LYNCH, which we accepted, you get another 180 days to then go forward to your administrator or whoever is leading your department and agency and say: I am valuable; I am trying.

Still, the leader can say: Oh, you know what? I am going to give you a waiver or allow you to continue.

If we don't give them the authority—which they have at the IRS—then you limit the tools, and you are not getting rid of the people who are the bad apples.

We can make sure we get the best Federal employees but weed out the bad apples. I want to see people on both sides of the aisle say: let's pat the back

of the overwhelming majority who are patriotic, hard-working, dedicated employees, but we are going to get rid of the bad apples.

That is what this bill does. I urge its passage.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. CHAFFETZ) that the House suspend the rules and pass the bill, H.R. 1563, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. CUMMINGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

--- HOUR OF MEETING ON TOMORROW

Mr. CHAFFETZ. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

--- RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 4 o'clock and 15 minutes p.m.), the House stood in recess.

□ 1629

--- AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COLLINS of Georgia) at 4 o'clock and 29 minutes p.m.

--- ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on the questions previously postponed.

Votes will be taken in the following order:

Ordering the previous question on H. Res. 200; adopting H. Res. 200, if ordered; and suspending the rules and passing H.R. 1562 and H.R. 1563.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.