

140TH CONGRESS

1ST SESSION

H.R. 18

IN THE HOUSE OF REPRESENTATIVES

April 21, 2021

Mr. Pluribus (for himself, Mr. Diaz, Mr. Harris, Mr. Sullivan,) introduced the following bill, which was subsequently referred to the House of Representatives.

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.

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

SECTION 1. TITLE.

This Act may be cited as the “Contracting and Tax Accountability Act of 2021”

SECTION 2. Governmental policy

It is the policy of the United States Government that no Government contracts or grants should be awarded to individuals or companies with seriously delinquent Federal tax debts

SECTION 3. Prohibition on awarding of contracts to delinquent Federal debtors

Section 3720B of title 31, United States Code, is amended—

(1) In the section heading, by adding at the end “or contracts”;

(2) By adding at the end the following:

“(c)

(1) Unless this subsection is waived by the head of a Federal agency, a person who has a seriously delinquent tax debt shall be proposed for debarment from any contract awarded by the Federal Government.

(2) The head of any Federal agency that issues an invitation for bids or a request for proposals for a contract in an amount greater than the simplified acquisition threshold (as defined in 41 U.S.C. 134) shall require each person that submits a bid or proposal to submit with the bid or proposal a form—

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

(B) authorizing the Secretary of the Treasury to disclose to the head of the agency information limited to describing whether the person has a seriously delinquent tax debt.

(3)The Secretary shall make available to all Federal agencies a standard form for the certification and authorization described in paragraph (2).

(4)Not later than 270 days after the date of enactment of this subsection, the Federal Acquisition Regulation shall be revised to incorporate the requirements of this subsection.

(5)For purposes of this subsection:

(A)The term contract means a binding agreement entered into by a Federal agency for the purpose of obtaining property or services, but does not include—

(i)a contract designated by the head of the agency as assisting the agency in the performance of disaster relief authorities; or

(ii)a contract designated by the head of the agency as necessary to the national security of the United States.

(B)

(i)The term “person” includes—

(I)an individual;

(II)a partnership; and

(III)a corporation.

(ii)A partnership shall be treated as a person with a seriously delinquent tax debt if such partnership has a partner who—

(I) holds an ownership interest of 50 percent or more in that partnership; and

(II) who has a seriously delinquent tax debt.

(iii) A corporation shall be treated as a person with a seriously delinquent tax debt

if such corporation has an officer or a shareholder who—

(I) holds 50 percent or more, or a controlling interest that is less than 50 percent,

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

(II) who has a seriously delinquent tax debt.

(C)

(i) 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.

(ii) 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.”

SECTION 4. Prohibition on awarding of grants to delinquent Federal debtors

(a) In general.—

The head of any Executive agency that offers a grant in excess of an amount equal to the simplified acquisition threshold (as defined in 41 U.S.C. 134) may not award

such grant to any person unless such person submits with the application for such grant a form—

- (1)certifying that the person does not have a seriously delinquent tax debt; and
- (2)authorizing the Secretary of the Treasury to disclose to the head of the Executive agency information limited to describing whether the person has a seriously delinquent tax debt.

(b)Release of information.—

The Secretary shall make available to all Executive agencies a standard form for the certification and authorization described in subsection (a)(2).

(c)Revision of regulations.—

Not later than 270 days after the date of the enactment of this section, the Director of the Office of Management and Budget shall revise such regulations as necessary to incorporate the requirements of this section.

(d)Definitions and special rules.—

For purposes of this section:

(1)Person.—

(A)In general.—

The term “person” includes—

- (i)an individual;

(ii)a partnership; and

(iii)a corporation.

(B)Treatment of certain partnerships.—

A partnership shall be treated as a person with a seriously delinquent tax debt if such partnership has a partner who—

(i)holds an ownership interest of 50 percent or more in that partnership; and

(ii)who has a seriously delinquent tax debt.

(C)Treatment of certain corporations.—

A corporation shall be treated as a person with a seriously delinquent tax debt if such corporation has an officer or a shareholder who—

(i)holds 50 percent or more, or a controlling interest that is less than 50 percent, of the outstanding shares of corporate stock in that corporation; and

(ii)who has a seriously delinquent tax debt.

(2)Executive agency

The term executive agency has the meaning given such term in 41 U.S.C. 133.

(3)Seriously delinquent tax debt.

(A)In general.—

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.

(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.

SECTION 5. ENACTMENT.

EFFECTIVE DATE.—The provisions of this Act shall apply beginning May 1st, 2021

(Credit to Former Representative for Indiana's 8th Congressional District, Brad Ellsworth)