

110TH CONGRESS
1ST SESSION

H. R. 1870

To amend title 31, United States Code, to prohibit delinquent Federal debtors from being eligible to enter into Federal contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2007

Mr. TOWNS (for himself, Mr. WAXMAN, Mrs. MALONEY of New York, Mr. KUCINICH, and Mr. MURPHY of Connecticut) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 31, United States Code, to prohibit delinquent Federal debtors from being eligible to enter into Federal contracts, 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 “Contractor Tax En-
5 forcement Act”.

1 **SEC. 2. AMENDMENTS TO PROVISION REGARDING DELIN-**
2 **QUENT FEDERAL DEBTORS.**

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

5 (1) in the section heading, by adding at the end
6 **“OR CONTRACTS”**;

7 (2) in subsection (a)—

8 (A) by inserting “or be eligible to enter
9 into a Federal contract with the agency” after
10 “administered by the agency”;

11 (B) by inserting “, including” after “debt”
12 the first place such term appears;

13 (C) by striking “(other than” the second
14 place such words appear;

15 (D) by striking the closing parenthesis
16 after “1986”; and

17 (E) by inserting “and be eligible to enter
18 into Federal contracts” after “loan guaran-
19 tees”; and

20 (3) by adding at the end the following:

21 “(c)(1) The head of any Federal agency that admin-
22 isters a Federal loan or loan guarantee program or that
23 issues a request for proposals for a Federal contract shall
24 require each applicant for a Federal loan or loan guar-
25 antee and each entity that submits a proposal to enter
26 into a contract with the agency to submit with the loan

1 or loan guarantee application or the contract proposal a
2 form authorizing the Secretary of the Treasury to disclose
3 to the head of the agency information limited to describing
4 whether the applicant or prospective contractor has an
5 outstanding debt under the Internal Revenue Code of
6 1986 in delinquent status (as defined in this section).

7 “(2) Not later than 30 days after the date of the en-
8 actment of this subsection, the Secretary shall develop and
9 make available to all Federal agencies a standard form,
10 the purpose which shall be to authorize the disclosure de-
11 scribed in paragraph (1).

12 “(d) For purposes of this section:

13 “(1) The term ‘contract’ means a binding
14 agreement entered into by a Federal agency for the
15 purpose of obtaining supplies, materials, equipment,
16 or services, but does not include—

17 “(A) a contract to assist the agency in the
18 performance of disaster relief authorities, as
19 designated in standards prescribed by the Sec-
20 retary of the Treasury; or

21 “(B) a contract designated by the head of
22 the agency as necessary to the national security
23 of the United States.

24 “(2) The term ‘person’ includes—

1 “(A) any partnership with a partner who
2 has been assessed a penalty under section 6672
3 of the Internal Revenue Code of 1986 with re-
4 spect to a debt which is in delinquent status as
5 described in paragraph (3); and

6 “(B) any corporation with an officer or a
7 shareholder who holds 25 percent or more of
8 the outstanding shares of corporate stock in
9 that corporation who has been assessed a pen-
10 alty under section 6672 of the Internal Revenue
11 Code of 1986 with respect to a debt that is in
12 delinquent status as described in paragraph (3).

13 “(3) A debt under the Internal Revenue Code
14 of 1986 shall be considered to be in delinquent sta-
15 tus if it has not been paid within 180 days of an as-
16 sessment of a tax, penalty, or interest under the In-
17 ternal Revenue Code of 1986. Such a debt does not
18 include a debt that is being paid in a timely manner
19 pursuant to an agreement under section 6159 or
20 section 7122 of the Internal Revenue Code of
21 1986.”.

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