

110TH CONGRESS
1ST SESSION

H. R. 2608

To amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide, in fiscal years 2008 through 2010, extensions of supplemental security income for refugees, asylees, and certain other humanitarian immigrants, and to amend the Internal Revenue Code to collect unemployment compensation debts resulting from fraud.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2007

Mr. McDERMOTT (for himself, Mr. WELLER of Illinois, Mr. STARK, Mr. ENGLISH of Pennsylvania, Mr. LEVIN, Mr. NEAL of Massachusetts, Mr. McNULTY, Mr. BECERRA, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide, in fiscal years 2008 through 2010, extensions of supplemental security income for refugees, asylees, and certain other humanitarian immigrants, and to amend the Internal Revenue Code to collect unemployment compensation debts resulting from fraud.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “SSI Extension for El-
3 derly and Disabled Refugees Act”.

4 **SEC. 2. SSI EXTENSIONS FOR HUMANITARIAN IMMIGRANTS.**

5 Section 402(a)(2) of the Personal Responsibility and
6 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
7 1612(a)(2)) is amended by adding at the end the fol-
8 lowing:

9 “(M) SSI EXTENSIONS THROUGH FISCAL
10 YEAR 2010.—

11 “(i) TWO-YEAR EXTENSION.—

12 “(I) IN GENERAL.—Except as
13 provided in clause (ii), with respect to
14 eligibility for benefits for the specified
15 Federal program described in para-
16 graph (3)(A), the 7-year period de-
17 scribed in subparagraph (A) shall be
18 deemed to be a 9-year period during
19 fiscal years 2008 through 2010.

20 “(II) ALIENS WHOSE BENEFITS
21 CEASED IN PRIOR FISCAL YEARS.—

22 “(aa) IN GENERAL.—Begin-
23 ning on the date of the enact-
24 ment of the SSI Extension for
25 Elderly and Disabled Refugees
26 Act, any qualified alien rendered

1 ineligible for the specified Fed-
2 eral program described in para-
3 graph (3)(A) during fiscal years
4 prior to fiscal year 2008 solely by
5 reason of the termination of the
6 7-year period described in sub-
7 paragraph (A) shall be eligible
8 for such program for an addi-
9 tional 2-year period in accord-
10 ance with this clause, if such
11 alien meets all other eligibility
12 factors under title XVI of the So-
13 cial Security Act.

14 “(bb) PAYMENT OF BENE-
15 FITS.—Benefits paid under item
16 (aa) shall be paid prospectively
17 over the duration of the qualified
18 alien’s renewed eligibility.

19 “(ii) PENDING NATURALIZATION AP-
20 PPLICATION.—With respect to eligibility for
21 benefits for the specified program de-
22 scribed in paragraph (3) (A), subsection
23 (a)(1) shall not apply during fiscal years
24 2008 through 2010 to an alien described
25 in one of clauses (i) through (v) of sub-

1 paragraph (A), if the alien has submitted
2 an application for naturalization that is
3 pending before the Secretary of Homeland
4 Security, and such submission is verified
5 by the Commissioner of Social Security ei-
6 ther by receiving a receipt number from
7 the alien for such submitted application or
8 by receiving confirmation from the Sec-
9 retary of Homeland Security.”.

10 **SEC. 3. COLLECTION OF UNEMPLOYMENT COMPENSATION**
11 **DEBTS RESULTING FROM FRAUD.**

12 (a) IN GENERAL.—Section 6402 of the Internal Rev-
13 enue Code (relating to authority to make credits or re-
14 funds) is amended by redesignating subsections (f)
15 through (k) as subsections (g) through (l), respectively,
16 and by inserting after subsection (e) the following new
17 subsection:

18 “(f) COLLECTION OF UNEMPLOYMENT COMPENSA-
19 TION DEBTS RESULTING FROM FRAUD.—

20 “(1) IN GENERAL.—Upon receiving notice from
21 any State that a named person owes a covered un-
22 employment compensation debt to such State, the
23 Secretary shall, under such conditions as may be
24 prescribed by the Secretary—

1 “(A) reduce the amount of any overpay-
2 ment payable to such person by the amount of
3 such covered unemployment compensation debt;

4 “(B) pay the amount by which such over-
5 payment is reduced under subparagraph (A) to
6 such State and notify such State of such per-
7 son’s name, taxpayer identification number, ad-
8 dress, and the amount collected; and

9 “(C) notify the person making such over-
10 payment that the overpayment has been re-
11 duced by an amount necessary to satisfy a cov-
12 ered unemployment compensation debt.

13 If an offset is made pursuant to a joint return, the
14 notice under subparagraph (B) shall include the
15 names, taxpayer identification numbers, and ad-
16 dresses of each person filing such return and the no-
17 tice under subparagraph (C) shall include informa-
18 tion related to the rights of a spouse of a person
19 subject to such an offset.

20 “(2) PRIORITIES FOR OFFSET.—Any overpay-
21 ment by a person shall be reduced pursuant to this
22 subsection—

23 “(A) after such overpayment is reduced
24 pursuant to—

1 “(i) subsection (a) with respect to any
2 liability for any internal revenue tax on the
3 part of the person who made the overpay-
4 ment;

5 “(ii) subsection (c) with respect to
6 past-due support; and

7 “(iii) subsection (d) with respect to
8 any past-due, legally enforceable debt owed
9 to a Federal agency; and

10 “(B) before such overpayment is credited
11 to the future liability for any Federal internal
12 revenue tax of such person pursuant to sub-
13 section (b).

14 If the Secretary receives notice from a State or
15 States of more than one debt subject to paragraph
16 (1) or subsection (e) that is owed by a person to
17 such State or States, any overpayment by such per-
18 son shall be applied against such debts in the order
19 in which such debts accrued.

20 “(3) NOTICE; CONSIDERATION OF EVIDENCE.—
21 No State may take action under this subsection until
22 such State—

23 “(A) notifies the person owing the covered
24 unemployment compensation debt that the

1 State proposes to take action pursuant to this
2 section;

3 “(B) provides such person at least 60 days
4 to present evidence that all or part of such li-
5 ability is not legally enforceable or due to fraud;

6 “(C) considers any evidence presented by
7 such person and determines that an amount of
8 such debt is legally enforceable and due to
9 fraud; and

10 “(D) satisfies such other conditions as the
11 Secretary may prescribe to ensure that the de-
12 termination made under subparagraph (C) is
13 valid and that the State has made reasonable
14 efforts to obtain payment of such covered un-
15 employment compensation debt.

16 “(4) COVERED UNEMPLOYMENT COMPENSATION
17 DEBT.—For purposes of this subsection, the term
18 ‘covered unemployment compensation debt’ means—

19 “(A) a past-due debt for erroneous pay-
20 ment of unemployment compensation due to
21 fraud which has become final under the law of
22 a State certified by the Secretary of Labor pur-
23 suant to section 3304 and which remains uncol-
24 lected;

1 “(B) contributions due to the unemploy-
2 ment fund of a State for which the State has
3 determined the person to be liable due to fraud;
4 and

5 “(C) any penalties and interest assessed on
6 such debt.

7 “(5) REGULATIONS.—

8 “(A) IN GENERAL.—The Secretary may
9 issue regulations prescribing the time and man-
10 ner in which States must submit notices of cov-
11 ered unemployment compensation debt and the
12 necessary information that must be contained
13 in or accompany such notices. The regulations
14 may specify the minimum amount of debt to
15 which the reduction procedure established by
16 paragraph (1) may be applied.

17 “(B) FEE PAYABLE TO SECRETARY.—The
18 regulations may require States to pay a fee to
19 the Secretary, which may be deducted from
20 amounts collected, to reimburse the Secretary
21 for the cost of applying such procedure. Any fee
22 paid to the Secretary pursuant to the preceding
23 sentence shall be used to reimburse appropria-
24 tions which bore all or part of the cost of apply-
25 ing such procedure.

1 “(C) SUBMISSION OF NOTICES THROUGH
2 SECRETARY OF LABOR.—The regulations may
3 include a requirement that States submit no-
4 tices of covered unemployment compensation
5 debt to the Secretary via the Secretary of Labor
6 in accordance with procedures established by
7 the Secretary of Labor. Such procedures may
8 require States to pay a fee to the Secretary of
9 Labor to reimburse the Secretary of Labor for
10 the costs of applying this subsection. Any such
11 fee shall be established in consultation with the
12 Secretary of the Treasury. Any fee paid to the
13 Secretary of Labor may be deducted from
14 amounts collected and shall be used to reim-
15 burse the appropriation account which bore all
16 or part of the cost of applying this subsection.

17 “(6) ERRONEOUS PAYMENT TO STATE.—Any
18 State receiving notice from the Secretary that an er-
19 roneous payment has been made to such State under
20 paragraph (1) shall pay promptly to the Secretary,
21 in accordance with such regulations as the Secretary
22 may prescribe, an amount equal to the amount of
23 such erroneous payment (without regard to whether
24 any other amounts payable to such State under such
25 paragraph have been paid to such State).”.

1 (b) DISCLOSURE OF CERTAIN INFORMATION TO
2 STATES REQUESTING REFUND OFFSETS FOR LEGALLY
3 ENFORCEABLE STATE UNEMPLOYMENT COMPENSATION
4 DEBT RESULTING FROM FRAUD.—

5 (1) GENERAL RULE.—Paragraph (3) of section
6 6103(a) of such Code is amended by inserting
7 “(10),” after “(6),”.

8 (2) DISCLOSURE TO DEPARTMENT OF LABOR
9 AND ITS AGENT.—Paragraph (10) of section 6103(l)
10 of such Code is amended—

11 (A) by striking “(c), (d), or (e)” each place
12 it appears in the heading and text and inserting
13 “(c), (d), (e), or (f),”

14 (B) in subparagraph (A) by inserting “, to
15 officers and employees of the Department of
16 Labor and its agent for purposes of facilitating
17 the exchange of data in connection with a re-
18 quest made under subsection (f)(5) of section
19 6402,” after “section 6402”, and

20 (C) in subparagraph (B) by inserting “,
21 and any agents of the Department of Labor,”
22 after “agency” the first place it appears.

23 (3) SAFEGUARDS.—Paragraph (4) of section
24 6103(p) of such Code is amended—

1 (A) in the matter preceding subparagraph
2 (A), by striking “(l)(16),” and inserting
3 “(l)(10), (16),”;

4 (B) in subparagraph (F)(i), by striking
5 “(l)(16),” and inserting “(l)(10), (16),”;

6 (C) in the matter following subparagraph
7 (F)(iii)—

8 (i) in each of the first two places it
9 appears, by striking “(l)(16),” and insert-
10 ing “(l)(10), (16),”;

11 (ii) by inserting “(10),” after “para-
12 graph (6)(A),”;

13 (iii) in each of the last two places it
14 appears, by striking “(l)(16)” and insert-
15 ing “(l)(10) or (16)”.

16 (c) EXPENDITURES FROM STATE FUND.—Section
17 3304(a)(4) of such Code is amended—

18 (1) in subparagraph (E), by striking “and”
19 after the semicolon;

20 (2) in subparagraph (F), by inserting “and”
21 after the semicolon; and

22 (3) by adding at the end the following new sub-
23 paragraph:

24 “(G) with respect to amounts of covered
25 unemployment compensation debt (as defined in

1 section 6402(f)(4)) collected under section
2 6402(f)—

3 “(i) amounts may be deducted to pay
4 any fees authorized under such section;
5 and

6 “(ii) the penalties and interest de-
7 scribed in section 6402(f)(4)(B) may be
8 transferred to the appropriate State fund
9 into which the State would have deposited
10 such amounts had the person owing the
11 debt paid such amounts directly to the
12 State;”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) Subsection (a) of section 6402 of such Code
15 is amended by striking “(c), (d), and (e),” and in-
16 sserting “(c), (d), (e), and (f)”.

17 (2) Paragraph (2) of section 6402(d) of such
18 Code is amended by striking “and before such over-
19 payment is reduced pursuant to subsection (e)” and
20 inserting “and before such overpayment is reduced
21 pursuant to subsections (e) and (f)”.

22 (3) Paragraph (3) of section 6402(e) of such
23 Code is amended in the last sentence by inserting
24 “or subsection (f)” after “paragraph (1)”.

1 (4) Subsection (g) of section 6402 of such
2 Code, as redesignated by subsection (a), is amended
3 by striking “(c), (d), or (e)” and inserting “(c), (d),
4 (e), or (f)”.

5 (5) Subsection (i) of section 6402 of such Code,
6 as redesignated by subsection (a), is amended by
7 striking “subsection (c) or (e)” and inserting “sub-
8 section (c), (e), or (f)”.

9 (e) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to refunds payable under section
11 6402 of the Internal Revenue Code of 1986 on or after
12 the date of enactment of this Act.

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