

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 4881  
OFFERED BY MR. TOWNS OF NEW YORK**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Contracting and Tax  
3 Accountability Act of 2008”.

**4 SEC. 2. GOVERNMENTAL POLICY.**

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

**9 SEC. 3. PROHIBITION ON AWARDING OF CONTRACTS TO  
10 DELINQUENT FEDERAL DEBTORS.**

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

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

15 (2) by adding at the end the following:

16 “(c)(1) Unless this subsection is waived by the head  
17 of a Federal agency, a person who has a seriously delin-

1   quent tax debt shall be proposed for debarment from any  
2   contract awarded by the Federal Government.

3       “(2) The head of any Federal agency that issues an  
4   invitation for bids or a request for proposals for a contract  
5   in an amount greater than the simplified acquisition  
6   threshold (as defined in section 4(11) of the Office of Fed-  
7   eral Procurement Policy Act (41 U.S.C. 401(11)) shall re-  
8   quire each person that submits a bid or proposal to submit  
9   with the bid or proposal a form—

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

12       “(B) authorizing the Secretary of the Treasury  
13   to disclose to the head of the agency information  
14   limited to describing whether the person has a seri-  
15   ously delinquent tax debt.

16       “(3) The Secretary shall make available to all Federal  
17   agencies a standard form for the certification and author-  
18   ization described in paragraph (2).

19       “(4) Not later than 270 days after the date of enact-  
20   ment of this subsection, the Federal Acquisition Regula-  
21   tion shall be revised to incorporate the requirements of  
22   this subsection.

23       “(5) For purposes of this subsection:

24       “(A) The term ‘contract’ means a binding  
25   agreement entered into by a Federal agency for the

1 purpose of obtaining property or services, but does  
2 not include—

3 “(i) a contract designated by the head of  
4 the agency as assisting the agency in the per-  
5 formance of disaster relief authorities; or

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

9 “(B)(i) The term ‘person’ includes—

10 “(I) an individual;

11 “(II) a partnership; and

12 “(III) a corporation.

13 “(ii) A partnership shall be treated as a person  
14 with a seriously delinquent tax debt if such partner-  
15 ship has a partner who—

16 “(I) holds an ownership interest of 50 per-  
17 cent or more in that partnership; and

18 “(II) who has a seriously delinquent tax  
19 debt.

20 “(iii) A corporation shall be treated as a person  
21 with a seriously delinquent tax debt if such corpora-  
22 tion has an officer or a shareholder who—

23 “(I) holds 50 percent or more, or a con-  
24 trolling interest that is less than 50 percent, of

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

3 “(II) who has a seriously delinquent tax  
4 debt.

5 “(C)(i) The term ‘seriously delinquent tax debt’  
6 means an outstanding debt under the Internal Rev-  
7 enue Code of 1986 for which a notice of lien has  
8 been filed in public records pursuant to section 6323  
9 of such Code.

10 “(ii) Such term does not include—

11 “(I) a debt that is being paid in a timely  
12 manner pursuant to an agreement under sec-  
13 tion 6159 or section 7122 of such Code; and

14 “(II) a debt with respect to which a collec-  
15 tion due process hearing under section 6330 of  
16 such Code, or relief under subsections (a), (b),  
17 or (f) of section 6015 of such Code, is re-  
18 quested or pending.”.

19 **SEC. 4. PROHIBITION ON AWARDING OF GRANTS TO DELIN-**  
20 **QUENT FEDERAL DEBTORS.**

21 (a) IN GENERAL.—The head of any Executive agency  
22 that offers a grant in excess of an amount equal to the  
23 simplified acquisition threshold (as defined in section  
24 4(11) of the Office of Federal Procurement Policy Act (41  
25 U.S.C. 401(11)) may not award such grant to any person

1 unless such person submits with the application for such  
2 grant a form—

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

5 (2) authorizing the Secretary of the Treasury to  
6 disclose to the head of the Executive agency infor-  
7 mation limited to describing whether the person has  
8 a seriously delinquent tax debt.

9 (b) RELEASE OF INFORMATION.—The Secretary  
10 shall make available to all Executive agencies a standard  
11 form for the certification and authorization described in  
12 subsection (a)(2).

13 (c) REVISION OF REGULATIONS.—Not later than 270  
14 days after the date of the enactment of this section, the  
15 Director of the Office of Management and Budget shall  
16 revise such regulations as necessary to incorporate the re-  
17 quirements of this section.

18 (d) DEFINITIONS AND SPECIAL RULES.—For pur-  
19 poses of this section:

20 (1) PERSON.—

21 (A) IN GENERAL.—The term “person” in-  
22 cludes—

23 (i) an individual;

24 (ii) a partnership; and

25 (iii) a corporation.

1 (B) TREATMENT OF CERTAIN PARTNER-  
2 SHIPS.—A partnership shall be treated as a  
3 person with a seriously delinquent tax debt if  
4 such partnership has a partner who—

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

7 (ii) who has a seriously delinquent tax  
8 debt.

9 (C) TREATMENT OF CERTAIN CORPORA-  
10 TIONS.—A corporation shall be treated as a  
11 person with a seriously delinquent tax debt if  
12 such corporation has an officer or a shareholder  
13 who—

14 (i) holds 50 percent or more, or a con-  
15 trolling interest that is less than 50 per-  
16 cent, of the outstanding shares of cor-  
17 porate stock in that corporation; and

18 (ii) who has a seriously delinquent tax  
19 debt.

20 (2) EXECUTIVE AGENCY.—The term “executive  
21 agency” has the meaning given such term in section  
22 4 of the Office of Federal Procurement Policy Act  
23 (41 U.S.C. 403).

24 (3) SERIOUSLY DELINQUENT TAX DEBT.—

1           (A) IN GENERAL.—The term “seriously de-  
2           linquent tax debt” means an outstanding debt  
3           under the Internal Revenue Code of 1986 for  
4           which a notice of lien has been filed in public  
5           records pursuant to section 6323 of such Code.

6           (B) EXCEPTIONS.—Such term does not in-  
7           clude—

8                   (i) a debt that is being paid in a time-  
9                   ly manner pursuant to an agreement under  
10                  section 6159 or section 7122 of such Code;  
11                  and

12                   (ii) a debt with respect to which a col-  
13                  lection due process hearing under section  
14                  6330 of such Code, or relief under sub-  
15                  sections (a), (b), or (f) of section 6015 of  
16                  such Code, is requested or pending.