

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 829
OFFERED BY MR. CHAFFETZ OF UTAH**

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 2011”.

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. DISCLOSURE AND EVALUATION OF CONTRACT OF-
10 FERS FROM DELINQUENT FEDERAL DEBT-
11 ORS.**

12 (a) IN GENERAL.—The head of any executive agency
13 that issues an invitation for bids or a request for proposals
14 for a contract in an amount greater than the simplified
15 acquisition threshold shall require each person that sub-
16 mits a bid or proposal to submit with the bid or proposal
17 a form—

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

3 (2) authorizing the Secretary of the Treasury to
4 disclose to the head of the agency information lim-
5 ited to describing whether the person has a seriously
6 delinquent tax debt.

7 (b) **IMPACT ON RESPONSIBILITY DETERMINATION.**—

8 The head of any executive agency, in evaluating any offer
9 received in response to a solicitation issued by the agency
10 for bids or proposals for a contract, shall consider a certifi-
11 cation that the offeror has a seriously delinquent tax debt
12 to be definitive proof that the offeror is not a responsible
13 source as defined in section 113 of title 41, United States
14 Code.

15 (c) **DEBARMENT.**—

16 (1) **REQUIREMENT.**—Except as provided in
17 paragraph (2), the head of an executive agency shall
18 propose a person for debarment after receiving an
19 offer for a contract from such person if—

20 (A) such offer contains a certification (as
21 required under subsection (a)(1)) that such per-
22 son has a seriously delinquent tax debt; or

23 (B) the head of the agency receives infor-
24 mation from the Secretary of the Treasury (as
25 authorized under subsection (a)(2)) dem-

1 onstrating that such a certification submitted
2 by such person is false.

3 (2) WAIVER.—The head of an executive agency
4 may waive paragraph (1) with respect to a person
5 based upon a written finding of urgent and compel-
6 ling circumstances significantly affecting the inter-
7 ests of the United States.

8 (d) RELEASE OF INFORMATION.—The Secretary of
9 the Treasury shall make available to all executive agencies
10 a standard form for the authorization described in sub-
11 section (a).

12 (e) REVISION OF REGULATIONS.—Not later than 270
13 days after the date of enactment of this subsection, the
14 Federal Acquisition Regulation shall be revised to incor-
15 porate the requirements of this section.

16 **SEC. 4. DISCLOSURE AND EVALUATION OF GRANT APPLI-**
17 **CATIONS FROM DELINQUENT FEDERAL**
18 **DEBTORS.**

19 (a) IN GENERAL.—The head of any executive agency
20 that offers a grant in excess of an amount equal to the
21 simplified acquisition threshold shall require each person
22 applying for a grant to submit with the grant application
23 a form—

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

1 (2) authorizing the Secretary of the Treasury to
2 disclose to the head of the executive agency informa-
3 tion limited to describing whether the person has a
4 seriously delinquent tax debt.

5 (b) IMPACT ON DETERMINATION OF FINANCIAL STA-
6 BILITY.—The head of any executive agency, in evaluating
7 any application for a grant offered by the agency, shall
8 consider a certification that the grant applicant has a seri-
9 ously delinquent tax debt to be definitive proof that the
10 applicant is high-risk and, if the applicant is awarded the
11 grant, shall take appropriate measures under guidelines
12 issued by the Office of Management and Budget for en-
13 hanced oversight of high-risk grantees.

14 (c) DEBARMENT.—

15 (1) REQUIREMENT.—Except as provided in
16 paragraph (2), the head of an executive agency shall
17 propose a person for debarment after receiving a
18 grant application from such person if—

19 (A) such application contains a certifi-
20 cation (as required under subsection (a)(1))
21 that such person has a seriously delinquent tax
22 debt; or

23 (B) the head of the agency receives infor-
24 mation from the Secretary of the Treasury (as
25 authorized under subsection (a)(2)) dem-

1 onstrating that such a certification submitted
2 by such person is false.

3 (2) WAIVER.—The head of an executive agency
4 may waive paragraph (1) with respect to a person
5 based upon a written finding of urgent and compel-
6 ling circumstances significantly affecting the inter-
7 ests of the United States.

8 (d) RELEASE OF INFORMATION.—The Secretary of
9 the Treasury shall make available to all executive agencies
10 a standard form for the authorization described in sub-
11 section (a).

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

17 **SEC. 5. DEFINITIONS AND SPECIAL RULES.**

18 For purposes of this Act:

19 (1) PERSON.—

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

22 (i) an individual;

23 (ii) a partnership; and

24 (iii) a corporation.

1 (B) EXCLUSION.—The term “person” does
2 not include an individual seeking assistance
3 through a grant entitlement program.

4 (C) TREATMENT OF CERTAIN PARTNER-
5 SHIPS.—A partnership shall be treated as a
6 person with a seriously delinquent tax debt if
7 such partnership has a partner who—

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

10 (ii) has a seriously delinquent tax
11 debt.

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

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

21 (ii) has a seriously delinquent tax
22 debt.

23 (2) EXECUTIVE AGENCY.—The term “executive
24 agency” has the meaning given such term in section
25 133 of title 41, United States Code.

1 (3) SERIOUSLY DELINQUENT TAX DEBT.—

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

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

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

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

18 **SEC. 6. EFFECTIVE DATE.**

19 This Act shall apply with respect to contracts and
20 grants awarded on or after the date occurring 270 days
21 after the date of the enactment of this Act.

