



## H.R. 4881 – CONTRACTING AND TAX ACCOUNTABILITY ACT OF 2008

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### FLOOR SITUATION

H.R. 4881 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Brad Ellsworth (D-IN) on December 19, 2007. The House Committee on Government and Oversight Reform approved the bill, as amended, by voice vote on March 13, 2008.

H.R. 4881 is expected to be considered on the floor of the House on April 14, 2008.

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### SUMMARY

H.R. 4881 prohibits federal government contracts or grants from being given to individuals, partnerships, or companies that are in significant tax debt, meaning that they have a tax lien filed against them by the Internal Revenue Service (IRS). This requirement is not applicable to contracts for disaster relief or designated as essential to national security. The bill does not include tax debt that is being paid in a timely manner according to an agreement made under the IRS code as seriously delinquent tax debt.

The bill requires that all individuals, partnerships, or companies submitting bids for federal government contracts or grants also submit forms certifying that they are not in significant tax debt as well as a form allowing the Secretary of the Treasury to verify this information.

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### BACKGROUND

H.R. 4881 would make permanent a provision of the 2008 Omnibus spending bill requiring contractors bidding on federal contracts to not have any significant tax debt. Currently, the Administration is finalizing a proposed regulation that would require contractors bidding for government contracts to certify that they are not in violation of any tax law. The IRS has the ability to garnish payments to federal contractors delinquent in tax payments.

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### COST

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The Congressional Budget Office “estimates that implementing H.R. 4881 would cost \$5 million in 2009 and \$14 million over the 2009-2013 period.”

[CBO cost estimate for H.R. 4881](#)

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### STAFF CONTACT

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