



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 11, 2013

### **H.R. 882** **Contracting and Tax Accountability Act of 2013**

*As ordered reported by the House Committee on Oversight and Government Reform  
on March 20, 2013*

H.R. 882 would prohibit federal agencies from awarding contracts or grants to persons or companies that have seriously delinquent tax debt. The legislation defines seriously delinquent as outstanding tax debt to the federal government for which a public lien has been filed. Tax debt that is being paid in a timely manner, or is part of a requested or pending collection-due-process hearing, would not be considered seriously delinquent. Under the bill, certain contractors and grantees that receive federal funds would have to certify that they do not have such tax debt, and the Internal Revenue Service (IRS) would be authorized to confirm or refute those claims on behalf of the federal agencies involved.

Based on information from the Office of Management and Budget, the Internal Revenue Service, and the staff of the Joint Committee on Taxation (JCT), CBO estimates that implementing H.R. 882 would increase administrative costs governmentwide by less than \$500,000 annually, assuming the availability of appropriated funds. The bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates that any net increase in direct spending by such agencies would not be significant. JCT estimates that enacting the bill would have a negligible effect on revenues.

Most of the provisions of the bill would expand current law and practices. The federal government currently collects information on contractors and grant recipients through a variety of databases. In addition, the IRS has a database regarding tax liens and already provides tax-debt information to various Treasury Department programs through which certain federal payments are withheld or reduced in order to collect delinquent tax and nontax debt owed to federal agencies. Consequently, CBO estimates that implementing this bill will not significantly increase administrative costs to federal agencies.

H.R. 882 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.