



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 5, 2014

**S. 1045**

**A bill to amend title 5, United States Code, to provide that persons having seriously delinquent tax debts shall be ineligible for federal employment**

*As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 21, 2014*

Under S. 1045, individuals with federal tax debt that is seriously delinquent would be ineligible to be appointed or to continue serving as an employee of the federal government. The legislation defines tax debt to be seriously delinquent if a public lien has been filed. Tax debt that is being repaid in a timely manner, is part of a requested or pending collection-due-process hearing, or whose repayment the Department of Treasury determines would cause financial hardship, would not be considered seriously delinquent. Federal agencies would be required to have job applicants certify that they do not have such debt. Current federal employees would have 150 days after receiving their outstanding debt notice to enter into agreements to resolve their debt in order to remain eligible for continued employment.

Based on information from the Office of Management and Budget, the Internal Revenue Service, and staff of the Joint Committee on Taxation (JCT), CBO estimates that implementing S. 1045 would cost less than \$500,000 annually, subject to the availability of appropriated funds, mostly to create and administer certification forms.

Pay-as-you-go procedures apply to the bill because it would affect direct spending and revenues. Agencies not funded through annual appropriations, such as the Tennessee Valley Authority and Bonneville Power Administration, would face some additional costs (as described above), but 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.

S. 1045 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on budgets of state, local, or tribal governments.

On April 11, 2013, CBO transmitted a cost estimate for H.R. 249, the Federal Employee Tax Accountability Act of 2013, as ordered reported by the House Committee on Oversight and Government Reform. Both bills address delinquent taxes of federal employees, however, the House bill would authorize agencies to review tax records. The estimated costs reflect the differences between the bills.

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