CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 18, 2016

H.R. 1206
No Hires for the Delinquent IRS Act

As ordered reported by the House Committee on Ways and Means on April 13, 2016

H.R. 1206 would prohibit the Internal Revenue Service (IRS) from hiring new employees if any current IRS employees have seriously delinquent tax debt. Specifically, the IRS would have to certify that the agency does not have any employees with seriously delinquent tax debt or submit a report to the Congress explaining why it is unable to provide such a certification before any new employees could be hired.

Based on information from the IRS and the staff of the Joint Committee on Taxation (JCT), CBO estimates that implementing H.R. 1206 would increase IRS administrative costs by less than $500,000 annually to provide the report; such spending would be subject to the availability of appropriated funds. CBO and JCT estimate that enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Under current law, all federal employees are expected to satisfy their obligations as citizens of the United States, including financial obligations to federal, state, and local governments. IRS employees may be disciplined or terminated for violations of tax law. However, because the IRS has almost 80,000 employees, CBO does not expect the agency could easily certify that none of its employees have any seriously delinquent tax debt. Consequently, CBO expects that the IRS would opt to provide the required report to the Congress.

CBO and JCT estimate that enacting H.R. 1206 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

CBO and JCT have determined that H.R. 1206 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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