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## [H.R. 1563, the Federal Employee Tax Accountability Act of 2015, as amended](#)

### FLOOR SITUATION

On Wednesday, April 15, 2015, the House will consider [H.R. 1563](#), *the Federal Employee Tax Accountability Act of 2015*, under suspension of the rules. The bill was introduced on March 24, 2015 by Rep. Jason Chaffetz (R-UT) and was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on House Administration. The Oversight and Government Reform Committee ordered the bill reported by voice vote on March 25, 2015.

### SUMMARY

H.R. 1563 provides that persons having seriously delinquent tax debts shall be ineligible for Federal employment. The bill defines seriously delinquent tax debts as a “Federal tax liability that has been assessed by the Secretary of the Treasury under the Internal Revenue Code of 1986 and may be collected by the Secretary by levy or by a proceeding in court.”

Under the bill, each applicant for employment is required to certify that they do not have any seriously delinquent tax debt. Exceptions to this prohibition are provided if: (1) debts are being paid in a timely manner; (2) a collection due process hearing is requested or pending; (3) a levy has been issued for such debt; or (4) relief is granted.

The bill also includes a provision that makes federal employees subject to termination for willful failure to file their taxes or underreport a tax liability, similar to IRS employees. Federal employees subject to termination for these reasons can appeal the adverse action to the Merit Systems Protection Board and the courts. The bill exempts from termination employees who are working to resolve their tax debt, and allows agencies to exempt individuals under a financial hardship waiver when their employment is in the best interests of the United States.

The bill also provides authority to the Office of Personnel Management (OPM), in consultation with the Internal Revenue Service (IRS), to craft necessary regulations to implement H.R. 1563 while ensuring that the due process and privacy rights of employees are respected.

The bill’s requirements apply to employees of the executive and legislative branches, as well as to those in the U.S. Postal Service and the Postal Regulatory Commission.

## BACKGROUND

In its 2014 [Tax Delinquency Report](#), the IRS reported that 113,805 federal civilian employees owed more than \$1.1 billion in federal taxes, a 6 percent increase over the previous year. The average delinquency rate for federal civilian employees was 3.9 percent.<sup>1</sup>

H.R. 1563 addresses such non-compliance with our tax laws by prohibiting individuals with seriously delinquent tax debt, who are not making a good faith effort to pay their taxes or dispute them, from federal civilian employment. H.R. 1563 will help restore confidence in the federal workforce by requiring accountability from federal employees and those seeking to serve in the federal workforce.

In the 113<sup>th</sup> Congress, the House failed to suspend the rules and pass a nearly identical bill ([H.R. 249](#)) by a vote of [250 to 159](#) on April 15, 2013. In the 112<sup>th</sup> Congress, the House passed a similar bill ([H.R. 828](#)) by a vote of [263 to 114](#) on July 31, 2012.

## COST

[CBO estimates](#) that implementing H.R. 1563 would cost \$1 million over the 2016 to 2020 period, subject to the availability of appropriated funds. The bill would affect direct spending by agencies not funded through annual appropriations. CBO estimates, however, that any net increase in spending by those agencies would not be significant. Because the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

## STAFF CONTACT

For questions or further information, contact the House Republican Policy Committee at 6-5539.

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<sup>1</sup> [Internal Revenue Service, "Federal Employee/Retiree Delinquency Initiative,"](#) September 30, 2014.