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113TH CONGRESS
1ST SESSION

H. R. 2716

To amend the Internal Revenue Code of 1986 to provide for offsetting certain past-due local tax debts against income tax overpayments.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2013

Mr. MORAN introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to provide for offsetting certain past-due local tax debts against income tax overpayments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OFFSETTING PAST-DUE, LEGALLY ENFORCEABLE LOCAL TAX OBLIGATIONS.

(a) IN GENERAL.—Subsection (e) of section 6402 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(8) PAST-DUE, LEGALLY ENFORCEABLE LOCAL TAX OBLIGATIONS.—

"(A) IN GENERAL.—A State may, on behalf of a local government located within the State, submit a notice of past-due, legally enforceable local tax obligation for offset under this subsection.

"(B) SPECIAL RULES.—Such submission and offset shall be made with respect to any past-due, legally enforceable local tax obligation under rules similar to the rules of this subsection, except—

"(i) under paragraph (3)(A), any reduction attributable to a past-due, legally enforceable local tax obligation shall be made (in addition to reductions specified in such subparagraph) after the overpayment is reduced pursuant to—

"(I) this subsection with respect to any past-due, legally enforceable State income tax obligation; and

"(II) subsection (f) with respect to any covered unemployment compensation debt; and

"(ii) the local government on whose behalf a State is submitting shall certify to the State that the requirements of para-

graph (4) have been met by the local government.

"(C) PAST-DUE, LEGALLY ENFORCEABLE LOCAL TAX OBLIGATION.—For purposes of this subsection, the term 'past-due, legally enforceable local tax obligation' means any debt—

"(i)(I) which resulted from a judgment rendered by a court of competent jurisdiction, or a determination after an administrative hearing, which has determined an amount of tax to be due to a local government; and

"(II) which is no longer subject to judicial review; or

"(ii) which resulted from a tax imposed by a local government which has been assessed but not collected, the time for redetermination of which has expired, and which has not been delinquent for more than 10 years.

Such term shall not include any local income tax described in the second sentence of paragraph (5).

"(D) REGULATIONS.—The Secretary shall issue such regulations, and modify any such

regulations under paragraph (6), as may be necessary to carry out the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds payable after the date of the enactment of this Act.

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