

GOVERNMENT MANAGERS COALITION

• FAAMA • FMA • NCSSMA • PMA • SEA •

April 14, 2015

Dear Representative:

On behalf of the Government Managers Coalition (GMC), we urge you to **oppose H.R. 1563**, the Federal Employee Tax Accountability Act of 2015, sponsored by Oversight Committee Chairman Jason Chaffetz.

The GMC wholeheartedly supports the concept that all federal employees, including employees of the executive branch, legislative branch, and the U.S. Postal Service, should fulfil their tax obligations.

However, this legislation as currently crafted is overly broad, would be impractical and costly for agencies to implement, and neglects existing authorities already available for the federal government to ensure it receives taxes due by its employees.

There are many types of federal tax liability, many of which do not constitute a “seriously delinquent tax debt.” The mere existence of such a liability should not preclude an applicant or current employee from federal employment. Under current government policy, even for positions requiring a security clearance is a tax liability not grounds for automatically dismissing consideration. Furthermore, OPM Form 306, which is used for applicants for federal employment, already exists and provides for disclosure of tax debt and an explanation of such debt, including repayment plans.

We are also concerned with the practicality of having federal agencies screen every single applicant for a lien. Liens are often filed in local county courthouses, therefore the costs of staff time and effort necessary to discover such information would likely outweigh the benefits.

Furthermore, we are strongly concerned about the privacy of employees and applicants that may be violated in pursuit of sensitive tax information, especially given this legislation does not outline who in an agency would have access to this type of information and specific penalties for illegal disclosures of personal tax information.

Finally, Congress has already provided agencies with authorities and programs to ensure tax compliance of federal employees and to garnish wages for employees who owe a federal tax debt.

In 1993 the IRS created the Federal Employee/Retiree Delinquency Initiative (FERDI), which matches federal personnel data with tax delinquency information. This Initiative, which now covers over 95 percent of the federal workforce, has successfully reduced the tax delinquency among federal employees and retirees. In 2013, the overall FERDI non-compliance rate was 3.27 percent, translating into a 96.73% tax compliance rate for the federal community.

In 1997 Congress created the Federal Payment Levy Program (FPLP) to recover taxes owed by a federal employee who became delinquent. The program allows the IRS to take up to 15 percent of certain payments to cover tax bills from employees. Since inception of the FPLP in 2000, the program has brought in over \$2.5 billion.

While this legislation sounds beneficial, and is well-intentioned, it is unnecessary. For the reasons outlined above, the GMC urges you to **vote no** on H.R. 1563.

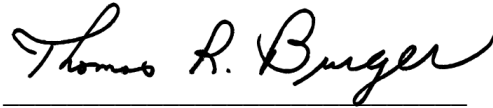
GOVERNMENT MANAGERS COALITION

• FAAMA • FMA • NCSSMA • PMA • SEA •

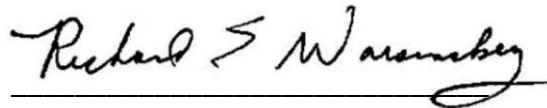
Sincerely,



PATRICIA J. NIEHAUS
President
Federal Managers Association



THOMAS R. BURGER
Executive Director
Professional Managers Association



RICHARD E. WARSINSKEY
President
National Council of Social Security
Management Associations



CAROL A. BONOSARO
President
Senior Executives Association