

FIRST REGULAR SESSION

HOUSE BILL NO. 1123

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MATHEWS.

2482L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 32, RSMo, by adding thereto one new section relating to federal vendor offset agreements.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 32, RSMo, is amended by adding thereto one new section, to be known as section 32.385, to read as follows:

32.385. 1. When used in this section, the following words, terms, and phrases are defined as set forth herein:

(1) "Federal official", a unit or official of the federal government charged with the collection of nontax liabilities payable to the federal government under 31 U.S.C. Section 3716, as amended;

(2) "Nontax liability due the state", a liability certified to the director of revenue by a state agency and shall include, but shall not be limited to, fines, fees, penalties, and other nontax assessments imposed by or payable to any state agency that is finally determined to be due and owing;

(3) "Offset agreement", the agreement authorized by this section;

(4) "Person", an individual, partnership, society, association, joint stock company, corporation, public corporation, or any public authority, estate, receiver, trustee, assignee, referee, and any other person acting in a fiduciary or representative capacity whether appointed by a court or otherwise, and any combination of the foregoing;

(5) "Refund", an amount described as a refund of tax under the provisions of the state tax law that authorized its payment;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (6) "State agency", any department, division, board, commission, office, or other
18 agency of the state of Missouri;

19 (7) "Vendor payment", any payment, other than a refund, made by the state to any
20 person or entity, and shall include but shall not be limited to any expense reimbursement
21 to an employee of the state; but shall not include a person's salary, wages, or pension.

22 2. The director of revenue and the commissioner of administration may jointly
23 enter into a reciprocal collection and offset of indebtedness agreement with the federal
24 government, under which the federal government will offset from federal payments to
25 vendors, contractors, and taxpayers debt owed to the state of Missouri, and the state will
26 offset from state tax refunds and from payments otherwise due to vendors and contractors
27 providing goods or services to state departments, agencies, or other state agencies nontax
28 debt owed to the federal government.

29 3. Under the agreement, the director of revenue may:

30 (1) Certify to a federal official the existence of a person's delinquent tax or nontax
31 liability due the state owed by the person to any state agency;

32 (2) Request that the federal official withhold any eligible vendor payment to which
33 the person is entitled; and

34 (3) Provide for the payment of the amount withheld to the state.

35 4. A certification by a state agency to the director of revenue and by the director
36 of revenue to the federal official under the offset agreement shall include:

37 (1) The full name and address of the person and any other names known to be used
38 by the person;

39 (2) The Social Security number or tax identification number;

40 (3) The amount of the tax or nontax liability;

41 (4) A statement that the debt is past due and legally enforceable in the amount
42 certified; and

43 (5) Any other information required by federal statute or regulation applicable to
44 the collection of the debt by offset of federal payments.

45 5. Under the offset agreement, a federal official may:

46 (1) Certify to the state of Missouri the existence of a person's delinquent nontax
47 liability owed by the person to the federal government;

48 (2) Request that the state of Missouri withhold any refund and vendor payment to
49 which the person is entitled;

50 (3) Certify and request the state of Missouri to withhold a refund or vendor
51 payment only if the laws of the United States:

52 **(a) Allow the state of Missouri to enter into a reciprocal agreement with the United**
53 **States, under which the federal official would be authorized to offset federal payments to**
54 **collect delinquent tax and nontax debts owed to the state; and**

55 **(b) Provide for the payment of the amount withheld to the state;**

56 **(4) Retain a portion of the proceeds of any collection setoff as provided under the**
57 **offset agreement.**

58 **6. Under the offset agreement, a certification by a federal official to the state of**
59 **Missouri shall include:**

60 **(1) The full name of the person and any other names known to be used by the**
61 **person;**

62 **(2) The Social Security number or federal tax identification number;**

63 **(3) The amount of the nontax liability; and**

64 **(4) A statement that the debt is past due and legally enforceable in the amount**
65 **certified.**

66 **7. If a person for whom a certification is received from a federal official is due a**
67 **refund of Missouri tax or a vendor payment, the agreement may provide that the state of**
68 **Missouri shall:**

69 **(1) Withhold a refund or vendor payment that is due a person whose name has**
70 **been certified by a federal official;**

71 **(2) In accordance with the provisions of the offset agreement, notify the person of**
72 **the amount withheld in satisfaction of a liability certified by a federal official;**

73 **(3) Pay to the federal official the lesser of:**

74 **(a) The entire refund or vendor payment; or**

75 **(b) The amount certified; and**

76 **(4) Pay any refund or vendor payment in excess of the certified amount to the**
77 **person.**

78 **8. Any other provisions of law to the contrary notwithstanding, the director of**
79 **revenue and the commissioner of administration shall have the authority to enter into**
80 **reciprocal agreements with any other state which extends a like comity to this state to set**
81 **off offset from state tax refunds and from payments otherwise due to vendors and**
82 **contractors providing goods or services to state departments, agencies, or other state**
83 **agencies nontax debt for debts due the other state that extends a like comity to this state.**

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