

111TH CONGRESS  
1ST SESSION

# H. R. 1956

To amend the Internal Revenue Code of 1986 to allow an offset against income tax refunds to pay for State judicial debts that are past-due.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2009

Mr. PAULSEN (for himself, Mr. DAVIS of Alabama, and Mr. POE of Texas) 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 allow an offset against income tax refunds to pay for State judicial debts that are past-due.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Crime Victim Restitu-  
5 tion and Court Fee Intercept Act”.

6 **SEC. 2. OFFSET OF STATE JUDICIAL DEBTS AGAINST IN-**  
7 **COME TAX REFUND.**

8 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
9 enue Code of 1986 (relating to authority to make credits

1 or refunds) is amended by redesignating subsections (g)  
2 through (l) as subsections (h) through (m), respectively,  
3 and by inserting after subsection (e) the following:

4 “(g) COLLECTION OF PAST-DUE, LEGALLY EN-  
5 FORCEABLE STATE JUDICIAL DEBTS.—

6 “(1) IN GENERAL.—Upon receiving notice from  
7 any State judicial branch or State agency designated  
8 by the chief justice of the State’s highest court that  
9 a named person owes a past-due, legally enforceable  
10 State judicial debt to or in such State, the Secretary  
11 shall, under such conditions as may be prescribed by  
12 the Secretary—

13 “(A) reduce the amount of any overpay-  
14 ment payable to such person by the amount of  
15 such State judicial debt;

16 “(B) pay the amount by which such over-  
17 payment is reduced under subparagraph (A) to  
18 such State judicial branch or State agency and  
19 notify such State judicial branch or State agen-  
20 cy of such person’s name, taxpayer identifica-  
21 tion number, address, and the amount collected;  
22 and

23 “(C) notify the person making such over-  
24 payment that the overpayment has been re-

1           duced by an amount necessary to satisfy a past-  
2           due, legally enforceable State judicial debt.

3           If an offset is made pursuant to a joint return, the  
4           notice under subparagraph (B) shall include the  
5           names, taxpayer identification numbers, and ad-  
6           dresses of each person filing such return.

7           “(2) PRIORITIES FOR OFFSET.—Any overpay-  
8           ment by a person shall be reduced pursuant to this  
9           subsection—

10                   “(A) after such overpayment is reduced  
11           pursuant to—

12                           “(i) subsection (a) with respect to any  
13                           liability for any internal revenue tax on the  
14                           part of the person who made the overpay-  
15                           ment;

16                           “(ii) subsection (c) with respect to  
17                           past-due support;

18                           “(iii) subsection (d) with respect to  
19                           any past-due, legally enforceable debt owed  
20                           to a Federal agency;

21                           “(iv) subsection (e) with respect to  
22                           any past-due, legally enforceable State in-  
23                           come tax obligations; and

1           “(v) subsection (f) with respect to any  
2           covered unemployment compensation debt;  
3           and

4           “(B) before such overpayment is credited  
5           to the future liability for any Federal internal  
6           revenue tax of such person pursuant to sub-  
7           section (b).

8           If the Secretary receives notice from 1 or more State  
9           agencies, or from 1 or more State agencies and the  
10          State judicial branch, of more than 1 debt subject  
11          to paragraph (1) that is owed by such person to  
12          such State agency or State judicial branch, any over-  
13          payment by such person shall be applied against  
14          such debts in the order in which such debts accrued.

15          “(3) NOTICE; CONSIDERATION OF EVIDENCE.—  
16          Rules similar to the rules of subsection (e)(4) shall  
17          apply with respect to debts under this subsection.

18          “(4) PAST-DUE, LEGALLY ENFORCEABLE STATE  
19          JUDICIAL DEBT.—

20                 “(A) IN GENERAL.—For purposes of this  
21                 subsection, the term ‘past-due, legally enforce-  
22                 able State judicial debt’ means a debt—

23                         “(i) which resulted from a judgment  
24                         or sentence rendered by any court or tri-  
25                         bunal of competent jurisdiction which—

1                   “(I) handles criminal or traffic  
2 cases in the State; and

3                   “(II) has determined an amount  
4 of State judicial debt to be due; and

5                   “(ii) which resulted from a State judi-  
6 cial debt which has been assessed and is  
7 past-due but not collected.

8                   “(B) STATE JUDICIAL DEBT.—For pur-  
9 poses of this paragraph, the term ‘State judicial  
10 debt’ includes court costs, fees, fines, assess-  
11 ments, restitution to victims of crime, and other  
12 monies resulting from a judgment or sentence  
13 rendered by any court or tribunal of competent  
14 jurisdiction handling criminal or traffic cases in  
15 the State.

16                   “(5) REGULATIONS.—The Secretary shall issue  
17 regulations prescribing the time and manner in  
18 which State judicial branches and State agencies  
19 must submit notices of past-due, legally enforceable  
20 State judicial debts and the necessary information  
21 that must be contained in or accompany such no-  
22 tices. The regulations shall specify the types of State  
23 judicial monies and the minimum amount of debt to  
24 which the reduction procedure established by para-  
25 graph (1) may be applied. The regulations may re-

1       quire State judicial branches and State agencies to  
2       pay a fee to reimburse the Secretary for the cost of  
3       applying such procedure. Any fee paid to the Sec-  
4       retary pursuant to the preceding sentence shall be  
5       used to reimburse appropriations which bore all or  
6       part of the cost of applying such procedure.

7               “(6) ERRONEOUS PAYMENT TO STATE.—Any  
8       State judicial branch or State agency receiving no-  
9       tice from the Secretary that an erroneous payment  
10      has been made to such State judicial branch or  
11      State agency under paragraph (1) shall pay prompt-  
12      ly to the Secretary, in accordance with such regula-  
13      tions as the Secretary may prescribe, an amount  
14      equal to the amount of such erroneous payment  
15      (without regard to whether any other amounts pay-  
16      able to such State judicial branch or State agency  
17      under such paragraph have been paid to such State  
18      judicial branch or State agency).”.

19      (b) DISCLOSURE OF RETURN INFORMATION.—Sec-  
20      tion 6103(l)(10) of the Internal Revenue Code of 1986  
21      (relating to disclosure of certain information to agencies  
22      requesting a reduction under subsection (c), (d), (e), or  
23      (f) of section 6402) is amended by striking “or (f)” each  
24      place it appears in the text and heading and inserting “(f),  
25      or (g)”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 6402(a) of the Internal Revenue  
3 Code of 1986 is amended by striking “and (f)” and  
4 inserting “(f), and (g)”.

5 (2) Paragraph (2) of section 6402(d) of such  
6 Code is amended by striking “and (f)” and inserting  
7 “(f), and (g)”.

8 (3) Paragraph (3)(B) of section 6402(e) of  
9 such Code is amended to read as follows:

10 “(B) before such overpayment is—

11 “(i) reduced pursuant to subsection  
12 (g) with respect to past-due, legally en-  
13 forceable State judicial debts, and

14 “(ii) credited to the future liability for  
15 any Federal internal revenue tax of such  
16 person pursuant to subsection (b).”.

17 (4) Paragraph (2)(B) of section 6402(f) of such  
18 Code is amended to read as follows:

19 “(B) before such overpayment is—

20 “(i) reduced pursuant to subsection  
21 (g) with respect to past-due, legally en-  
22 forceable State judicial debts, and

23 “(ii) credited to the future liability for  
24 any Federal internal revenue tax of such  
25 person pursuant to subsection (b).”.

1           (5) Section 6402(h) of such Code, as so redesi-  
2           gnated, is amended by striking “or (f)” and insert-  
3           ing “(f), or (g)”.

4           (6) Section 6402(j) of such Code, as so redesign-  
5           nated, is amended by striking “or (f)” and inserting  
6           “(f), or (g)”.

7           (d) EFFECTIVE DATE.—The amendments made by  
8           this Act shall apply to refunds payable for taxable years  
9           beginning after December 31, 2008.

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