

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute No. 2 for House Bill No. 698, Page 1, Section A, Line 8, by
2 inserting after all of said line the following:

3 "32.385. 1. When used in this section, the following words, terms, and phrases are defined
4 as set forth herein:

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

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

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

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

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

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

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

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

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1 person;

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

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

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

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

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

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

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

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

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

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

18 (4) Retain a portion of the proceeds of any collection setoff as provided under the setoff
19 agreement.

20 6. Under the offset agreement, a certification by a federal official to the state of Missouri
21 shall include:

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

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

24 (3) The amount of the nontax liability; and

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

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

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

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

32 (3) Pay to the federal official the lesser of:

33 (a) The entire refund or vendor payment; or

34 (b) The amount certified; and

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

36 8. Any other provisions of law to the contrary notwithstanding, the director of revenue and
37 the commissioner of administration shall have the authority to enter into reciprocal agreements with
38 any other state which extends a like comity to this state to set off offset from state tax refunds and
39 from payments otherwise due to vendors and contractors providing goods or services to state
40 departments, agencies, or other state agencies nontax debt for debts due the other state that extends a
41 like comity to this state."; and

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43 Further amend said bill by amending the title, enacting clause, and intersectional references
44 accordingly.

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