

**Congressional Research Service
Summary - H.R.1865**

Title: To amend title 31, United States Code, to allow certain local tax debt to be collected through the reduction of Federal tax refunds.

Sponsor: [Rep Davis, Tom](#) [VA-11] (introduced 4/17/2007) [Cosponsors](#) (5)

Latest Major Action: 5/9/2007 House committee/subcommittee actions. Status: Forwarded by Subcommittee to Full Committee by Voice Vote .

SUMMARY: as of 4/17/2007

Amends federal monetary law relating to reduction of a tax refund by the amount of a tax debt to establish a pilot program during 2009 and 2010 for the collection of past-due legally enforceable local government tax obligations.

Instructs the Secretary of the Treasury, upon receiving notice from any eligible state on behalf of a local government that a named person owes such local government a past-due, legally enforceable tax obligation, to: (1) reduce the federal tax refunds payable to such person by the amount of such debt; (2) pay the amount of such reduction to the state for payment to the affected local government; (3) notify the state of the person's name, taxpayer identification number, address, and the amount collected; and (4) notify the person due the refund that it has been reduced by an amount necessary to satisfy a past-due, legally enforceable tax obligation.

Requires the Secretary to select between three and five states to participate in the pilot program, including from among: (1) Illinois; (2) Iowa; (3) Louisiana; (4) New York; (5) Ohio; and (6) Virginia.

Amends the Internal Revenue Code to permit disclosure of taxpayer information to agencies of states requesting refund offsets for tax debts owed to local governments.