

110TH CONGRESS  
2D SESSION

# H. R. 6172

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

JUNE 3, 2008

Mr. RAMSTAD (for himself, Mr. KIND, Mr. WALZ of Minnesota, Mr. KLINE of Minnesota, Ms. MCCOLLUM of Minnesota, Mr. ELLISON, Mrs. BACHMANN, Mr. PETERSON of Minnesota, and Mr. OBERSTAR) 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”.

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

3 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
4 enue Code of 1986 (relating to authority to make credits  
5 or refunds) is amended by redesignating subsections (f)  
6 through (k) as subsections (g) through (l), respectively,  
7 and by inserting after subsection (e) the following:

8 “(f) COLLECTION OF PAST-DUE, LEGALLY EN-  
9 FORCEABLE STATE JUDICIAL DEBTS.—

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

17 “(A) reduce the amount of any overpay-  
18 ment payable to such person by the amount of  
19 such State judicial debt;

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

1           “(C) notify the person making such over-  
2           payment that the overpayment has been re-  
3           duced by an amount necessary to satisfy a past-  
4           due, legally enforceable State judicial debt.

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

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

12                   “(A) after such overpayment is reduced  
13                   pursuant to—

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

18                           “(ii) subsection (c) with respect to  
19                           past-due support;

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

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

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

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

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

15           “(4) PAST-DUE, LEGALLY ENFORCEABLE STATE  
16          JUDICIAL DEBT.—

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

20                   “(i) which resulted from a judgment  
21                   or sentence rendered by any court or tri-  
22                   bunal of competent jurisdiction which—

23                           “(I) handles criminal or traffic  
24                           cases in the State; and

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

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

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

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

1 applying such procedure. Any fee paid to the Sec-  
2 retary pursuant to the preceding sentence shall be  
3 used to reimburse appropriations which bore all or  
4 part of the cost of applying such procedure.

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

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

24 (c) CONFORMING AMENDMENTS.—

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

4           (2) Paragraph (2) of section 6402(d) of such  
5 Code is amended by striking “subsection (e)” and  
6 inserting “subsections (e) and (f)”.

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

9                   “(B) before such overpayment is—

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

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

16           (4) Section 6402(g) of such Code, as so redesign-  
17 nated, is amended by striking “or (e)” and inserting  
18 “(e), or (f)”.

19           (5) Section 6402(i) of such Code, as so redesign-  
20 nated, is amended by striking “or (e)” and inserting  
21 “, (e), or (f)”.

22           (d) EFFECTIVE DATE.—The amendments made by  
23 this Act shall apply to refunds payable for taxable years  
24 beginning after December 31, 2006.