

SECOND REGULAR SESSION

# SENATE BILL NO. 880

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIFTON.

Read 1st time February 18, 2014, and ordered printed.

TERRY L. SPIELER, Secretary.

6070S.01I

## AN ACT

To amend chapter 32, RSMo, by adding thereto one new section relating to reciprocal collection 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  
2 section, to be known as section 32.385, to read as follows:

**32.385. 1. As used in this section, the following terms mean:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52           5. Under the agreement, a federal official may:

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

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

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

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

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

65           **(4) Retain a portion of the proceeds of any collection setoff as**  
66 **provided under the setoff agreement.**

67           **6. Under the agreement, a certification by a federal official to the**  
68 **state of Missouri shall include:**

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

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

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

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

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

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

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

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

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

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

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

89           **8. Notwithstanding any other provision of law to the contrary,**  
90 **the director of revenue and the commissioner of administration shall**  
91 **have the authority to enter into reciprocal agreements with any other**  
92 **state which extends a like comity to this state to offset from state tax**  
93 **refunds and from payments otherwise due to vendors and contractors**  
94 **providing goods or services to state agencies for debts due the other**

95 state that extends a like comity to this state.

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Bill

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