

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing for Commonwealth employment;
3 and establishing the Commonwealth Tax Accountability Program.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 71 of the Pennsylvania Consolidated
7 Statutes is amended by adding a part to read:

8 PART IV

9 COMMONWEALTH EMPLOYMENT

10 Chapter

11 35. Commonwealth Tax Accountability Program

12 CHAPTER 35

13 COMMONWEALTH TAX ACCOUNTABILITY PROGRAM

14 Sec.

15 3501. Definitions.

16 3502. Program establishment.

17 3503. Prohibition of employment for individual with delinquent
18 payment.

1 § 3501. Definitions.

2 The following words and phrases when used in this chapter
3 shall have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Contractor." A person, including, but not limited to, a
6 bidder, offeror, loan recipient grantee or lessor who has
7 furnished or performed or seeks to furnish or perform goods,
8 supplies, services, leased space, construction or other activity
9 with an executive agency.

10 "Delinquent." The outstanding payment for failing to pay
11 taxes levied under the act of March 4, 1971 (P.L.6, No.2), known
12 as the Tax Reform Code of 1971.

13 "Department." The Department of Revenue of the Commonwealth.

14 "Entity." A corporation, joint-stock association, business
15 trust, limited liability company, sole proprietorship or
16 Subchapter S corporation.

17 "Executive agency." A department, agency or commission of
18 the Commonwealth under the policy supervision and control of the
19 Governor.

20 "Grant." The awarding of financial assistance for a specific
21 purpose under a program administered by an executive agency to
22 an eligible participant that is funded by the operating budget
23 of the Commonwealth.

24 "Grantee." An eligible participant applying for financial
25 assistance under a grant program operated by a Commonwealth
26 agency.

27 "Individual." A person employed or seeking employment with
28 an executive agency.

29 "Liability." The total amount a contractor, entity, grantee
30 or individual is delinquent.

1 "Office." The Governor's Office of the Budget.

2 "Payment agreement." An agreement between a contractor,
3 entity, grantee or individual to pay the liability owed to the
4 Commonwealth. The term may include, but is not limited to, any
5 combination of the following:

6 (1) a scheduled series of affordable payments;

7 (2) reduction of a contracted payment from an executive
8 agency equal to the liability owed to the Commonwealth; or

9 (3) reduction in a tax return owed to the individual or
10 entity up to the entirety of the tax return or the total
11 liability owed to the Commonwealth.

12 "Program." The Commonwealth Tax Accountability Program
13 established under section 3502 (relating to program
14 establishment).

15 § 3502. Program establishment.

16 (a) Establishment.--The Commonwealth Tax Accountability
17 Program is established and shall be administered by the
18 department.

19 (b) Use.--The program shall be utilized by executive
20 agencies, the Judicial Branch, the Legislative Branch and
21 independent boards and commissions of the Commonwealth to
22 determine whether an individual, grantee, entity or contractor
23 is delinquent.

24 (c) Database.--The department shall develop a searchable
25 database of individuals, entities, grantees and contractors who
26 are delinquent for use by executive agencies, the Judicial
27 Branch, the Legislative Branch and independent boards and
28 commissions of the Commonwealth under subsection (b). The
29 following shall apply:

30 (1) Individuals on the database under this subsection

1 may not be employed by an executive agency, the Judicial
2 Branch, the Legislative Branch or an independent board or
3 commission of the Commonwealth.

4 (2) A grantee that is listed on the database may not
5 receive a grant from the executive agency.

6 (3) A contractor that is listed on the database may not
7 be awarded a contract.

8 (4) An entity that is listed on the database may not
9 receive a tax credit, contract or grant offered by the
10 Commonwealth.

11 (d) Exception.--No prohibition under this section for a
12 contractor, entity, grantee or individual may apply if the
13 contractor, entity, grantee or individual has entered into a
14 payment agreement with the department to pay the liability to
15 the Commonwealth.

16 § 3503. Prohibition of employment for individual with
17 delinquent payment.

18 (a) Prohibition of employment.--No executive agency, the
19 Judicial Branch, the Legislative Branch or independent board or
20 commission of the Commonwealth may award employment to an
21 individual or employ an individual who is delinquent.

22 (b) Application.--An executive agency, the Judicial Branch,
23 the Legislative Branch or an independent board or commission of
24 the Commonwealth shall require an individual to submit an
25 application:

26 (1) certifying the individual is not delinquent; and

27 (2) authorizing the department to disclose to the head
28 of the executive agency whether the individual is delinquent.

29 (c) Exemption.--An individual may be exempt from the
30 requirements of subsection (a) if the department notifies the

1 executive agency, the Judicial Branch, the Legislative Branch or
2 an independent board or commission of the Commonwealth that:

3 (1) the individual is currently in a grace period and
4 has time to pay back the individual's liability to the
5 Commonwealth; or

6 (2) the individual is delinquent but has entered into a
7 payment agreement to pay off the individual's liability to
8 the Commonwealth. The following shall apply:

9 (i) if an individual violates the terms of the
10 payment agreement, the individual is prohibited from
11 employment under subsection (a); and

12 (ii) the prohibition under subsection (a) shall not
13 apply if the department has determined to adjust the
14 payment schedule for the individual and enters into a new
15 payment agreement, unless the terms of the adjusted
16 agreement are violated by the individual.

17 (d) Current employees.--Subject to the provisions of Part
18 III (relating to civil service reform) or any other law to the
19 contrary, current employees of an executive agency, the Judicial
20 Branch, the Legislative Branch or an independent board or
21 commission of the Commonwealth shall fulfill the requirements of
22 subsection (b) within 90 days of the effective date of this
23 section. The following shall apply:

24 (1) Refusal to submit the form under subsection (b) by a
25 current employee under this section shall result in the
26 employee being suspended.

27 (2) An executive agency, the Judicial Branch or the
28 Legislative Branch shall notify employees that refusal to
29 submit the form under subsection (b) may result in the
30 employee's suspension until such time that the employee

1 submits the form required under subsection (b).

2 (e) Notice.--Subject to the provisions of Part III (relating
3 to civil service reform) or any other law to the contrary, an
4 executive agency, the Judicial Branch, the Legislative Branch or
5 an independent board or commission of the Commonwealth shall
6 provide notice to all current employees that they are required
7 to submit an application under subsection (b) and that an
8 employee that is delinquent must enter into a payment agreement
9 with the department. The notice shall include a warning that
10 failure to enter into a payment agreement may result in a
11 delinquent employee's wages being garnished until the liability
12 is paid off or the employee enters into a payment agreement.

13 (f) Garnishment of wages.--If the department notifies an
14 executive agency, the Judicial Branch, the Legislative Branch or
15 an independent board or commission of the Commonwealth that an
16 employee is delinquent and the employee fails to enter into a
17 payment agreement with the department, the department shall
18 garnish the employee's wages until the liability is paid off or
19 the employee enters into a payment agreement. The department
20 shall establish the necessary rules and regulations to implement
21 this subsection.

22 (g) Reasonable schedule for repayment.--Agreements made by
23 the department with a current employee under subsection (e)
24 shall reasonably reflect any economic hardship faced by the
25 employee in a manner as to provide the employee with a
26 reasonable schedule to pay the employee's liability prior to
27 suspension under subsection (e).

28 (h) Form.--The department and the office shall develop a
29 standardized form for executive agencies to use during the
30 hiring process that allows an individual to authorize the

1 department to provide the executive agency information on
2 whether the individual is delinquent.

3 Section 2. This act shall take effect in 180 days.