

June 5, 2006

MEMORANDUM

TO: IRS Chapter Presidents & Legislative Coordinators

RE: Amendment to be offered to Prevent Private Tax Collection

SUMMARY: Tomorrow, Congressman Steven Rothman (D-NJ) will offer an amendment that will prohibit the use of funds to contract out IRS tax collection.

Tomorrow, during the House Appropriations Committee mark-up of the FY'07 Transportation, Treasury and Housing and Urban Development Appropriations bill, Congressman Steven Rothman (D-NJ) will offer an amendment that will prohibit funds from being used to plan, enter into, implement, enforce or provide oversight of contracts between the IRS and any private collection agency for collection of federal taxes.

The IRS was granted the legal authority to contract debt collection to private contractors through passage of the "American Jobs Creation Act of 2004" (P.L. 108-357). The grant of authority grew out of a proposal made by the Bush Administration in its budget request for the IRS in both FY 2004 and FY 2005.

The agency awarded three contracts to private debt collectors earlier this year, and in the second phase of the private debt collection project, scheduled for 2008, the IRS intends to contract with up to ten firms.

It is critical that NTEU does all it can to support the Rothman amendment and prevent any funding from being used to contract out debt collection. We will need the continuing help of our NTEU members to make sure that Congress rejects any attempt to implement privatize tax collection. To find out how you can help, please go to: <http://www.capwiz.com/nteu>.

Colleen M. Kelley
National President