

(b) Review of assessments and collections

No court of the United States, whether established under article I or article III of the Constitution, shall have jurisdiction of any action, whether legal or equitable, brought to restrain or review the assessment and collection of amounts by the Secretary under subsection (a), nor shall any such assessment and collection be subject to review by the Secretary in any proceeding. This subsection does not preclude any legal, equitable, or administrative action against the State by an individual in any State court or before any State agency to determine his liability for any amount assessed against him and collected, or to recover any such amount collected from him, under this section.

(Added Pub. L. 93-647, §101(b)(1), Jan. 4, 1975, 88 Stat. 2358; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-35, title XXIII, §2332(g), Aug. 13, 1981, 95 Stat. 862; Pub. L. 104-193, title III, §361(a), Aug. 22, 1996, 110 Stat. 2242.)

Editorial Notes

REFERENCES IN TEXT

Section 452(b) of the Social Security Act, referred to in subsec. (a), is classified to section 652(b) of Title 42, The Public Health and Welfare.

AMENDMENTS

1996—Subsec. (a). Pub. L. 104-193, §361(a)(4), substituted “Secretary of Health and Human Services” for “Secretary of Health, Education, and Welfare” in two places in introductory provisions.

Subsec. (a)(5). Pub. L. 104-193, §361(a)(1)–(3), added par. (5).

1981—Subsec. (a)(4). Pub. L. 97-35 inserted reference to administrative order.

1976—Subsecs. (a), (b). Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-193, title III, §361(b), Aug. 22, 1996, 110 Stat. 2242, provided that: “The amendments made by this section [amending this section] shall become effective October 1, 1997.”

For provisions relating to effective date of title III of Pub. L. 104-193, see section 395(a)–(c) of Pub. L. 104-193, set out as a note under section 654 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective, except as otherwise specifically provided, on Oct. 1, 1981, see section 2336 of Pub. L. 97-35, set out as a note under section 651 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE

Section effective Aug. 1, 1975, see section 101(f) of Pub. L. 93-647, set out as a note under section 651 of Title 42, the Public Health and Welfare.

§ 6306. Qualified tax collection contracts**(a) In general**

Nothing in any provision of law shall be construed to prevent the Secretary from entering into a qualified tax collection contract.

(b) Qualified tax collection contract

For purposes of this section, the term “qualified tax collection contract” means any contract which—

(1) is for the services of any person (other than an officer or employee of the Treasury Department)—

(A) to locate and contact any taxpayer specified by the Secretary,

(B) to request full payment from such taxpayer of an amount of Federal tax specified by the Secretary and, if such request cannot be met by the taxpayer, to offer the taxpayer an installment agreement providing for full payment of such amount during a period not to exceed 7 years, and

(C) to obtain financial information specified by the Secretary with respect to such taxpayer,

(2) prohibits each person providing such services under such contract from committing any act or omission which employees of the Internal Revenue Service are prohibited from committing in the performance of similar services,

(3) prohibits subcontractors from—

(A) having contacts with taxpayers,

(B) providing quality assurance services, and

(C) composing debt collection notices, and

(4) permits subcontractors to perform other services only with the approval of the Secretary.

(c) Collection of inactive tax receivables**(1) In general**

Notwithstanding any other provision of law, the Secretary shall enter into one or more qualified tax collection contracts for the collection of all outstanding inactive tax receivables.

(2) Inactive tax receivables

For purposes of this section—

(A) In general

The term “inactive tax receivable” means any tax receivable if—

(i) at any time after assessment, the Internal Revenue Service removes such receivable from the active inventory for lack of resources or inability to locate the taxpayer,

(ii) more than 2 years has passed since assessment and such receivable has not been assigned for collection to any employee of the Internal Revenue Service, or

(iii) in the case of a receivable which has been assigned for collection, more than 365 days have passed without interaction with the taxpayer or a third party for purposes of furthering the collection of such receivable.

(B) Tax receivable

The term “tax receivable” means any outstanding assessment which the Internal Revenue Service includes in potentially collectible inventory.

(d) Certain tax receivables not eligible for collection under qualified tax collections contracts

A tax receivable shall not be eligible for collection pursuant to a qualified tax collection contract if such receivable—

(1) is subject to a pending or active offer-in-compromise or installment agreement,

(2) is classified as an innocent spouse case,

(3) involves a taxpayer identified by the Secretary as being—

(A) deceased,

(B) under the age of 18,

(C) in a designated combat zone,

(D) a victim of tax-related identity theft,

(E) a taxpayer substantially all of whose income consists of disability insurance benefits under section 223 of the Social Security Act or supplemental security income benefits under title XVI of the Social Security Act (including supplemental security income benefits of the type described in section 1616 of such Act or section 212 of Public Law 93-66), or

(F) a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 200 percent of the applicable poverty level (as determined by the Secretary),

(4) is currently under examination, litigation, criminal investigation, or levy, or

(5) is currently subject to a proper exercise of a right of appeal under this title.

(e) Fees

The Secretary may retain and use—

(1) an amount not in excess of 25 percent of the amount collected under any qualified tax collection contract for the costs of services performed under such contract, and

(2) an amount not in excess of 25 percent of such amount collected to fund the special compliance personnel program account under section 6307.

The Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this subsection.

(f) No Federal liability

The United States shall not be liable for any act or omission of any person performing services under a qualified tax collection contract.

(g) Application of Fair Debt Collection Practices Act

The provisions of the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) shall apply to any qualified tax collection contract, except to the extent superseded by section 6304, section 7602(c), or by any other provision of this title.

(h) Contracting priority

In contracting for the services of any person under this section, the Secretary shall utilize private collection contractors and debt collection centers on the schedule required under section 3711(g) of title 31, United States Code, including the technology and communications infrastructure established therein, to the extent such private collection contractors and debt collection centers are appropriate to carry out the purposes of this section.

(i) Taxpayers in presidentially declared disaster areas

The Secretary may prescribe procedures under which a taxpayer determined to be affected by a

Federally declared disaster (as defined by section 165(i)(5)) may request—

(1) relief from immediate collection measures by contractors under this section, and

(2) a return of the inactive tax receivable to the inventory of the Internal Revenue Service to be collected by an employee thereof.

(j) Report to Congress

Not later than 90 days after the last day of each fiscal year (beginning with the first such fiscal year ending after the date of the enactment of this subsection), the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to qualified tax collection contracts under this section which shall include—

(1) annually, with respect to such fiscal year—

(A) the total number and amount of tax receivables provided to each contractor for collection under this section,

(B) the total amounts collected (and amounts of installment agreements entered into under subsection (b)(1)(B)) with respect to each contractor and the collection costs incurred (directly and indirectly) by the Internal Revenue Service with respect to such amounts,

(C) the impact of such contracts on the total number and amount of unpaid assessments, and on the number and amount of assessments collected by Internal Revenue Service personnel after initial contact by a contractor,

(D) the amount of fees retained by the Secretary under subsection (e) and a description of the use of such funds, and

(E) a disclosure safeguard report in a form similar to that required under section 6103(p)(5), and

(2) biannually (beginning with the second report submitted under this subsection)—

(A) an independent evaluation of contractor performance, and

(B) a measurement plan that includes a comparison of the best practices used by the private collectors to the collection techniques used by the Internal Revenue Service and mechanisms to identify and capture information on successful collection techniques used by the contractors that could be adopted by the Internal Revenue Service.

(k) Cross references

(1) For damages for certain unauthorized collection actions by persons performing services under a qualified tax collection contract, see section 7433A.

(2) For application of Taxpayer Assistance Orders to persons performing services under a qualified tax collection contract, see section 7811(g).

(Added Pub. L. 108-357, title VIII, §881(a)(1), Oct. 22, 2004, 118 Stat. 1625; amended Pub. L. 114-94, div. C, title XXXII, §§32102(a)-(c), (e), (f)(1), 32103(a), Dec. 4, 2015, 129 Stat. 1733-1736; Pub. L. 115-141, div. U, title IV, §401(a)(351), Mar. 23, 2018, 132 Stat. 1201; Pub. L. 116-25, title I, §1205(a)-(c), July 1, 2019, 133 Stat. 989.)

Editorial Notes

REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (d)(3)(E), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Title XVI of the Act is classified generally to subchapter XVI (§1381 et seq.) of chapter 7 of Title 42, The Public Health and Welfare. Sections 223 and 1616 of the Act are classified to sections 423 and 1382e, respectively, of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

Section 212 of Public Law 93-66, referred to in subsec. (d)(3)(E), is set out as a note under section 1382 of Title 42, The Public Health and Welfare.

The Fair Debt Collection Practices Act, referred to in subsec. (e), is title VIII of Pub. L. 90-321, as added by Pub. L. 95-109, Sept. 20, 1977, 91 Stat. 874, which is classified generally to subchapter V (§1692 et seq.) of chapter 41 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 15 and Tables.

AMENDMENTS

2019—Subsec. (b)(1)(B). Pub. L. 116-25, §1205(c), substituted “7 years” for “5 years”.

Subsec. (c)(2)(A)(ii). Pub. L. 116-25, §1205(b), substituted “more than 2 years has passed since assessment” for “more than 1/3 of the period of the applicable statute of limitation has lapsed”.

Subsec. (d)(3)(E), (F). Pub. L. 116-25, §1205(a), added subpars. (E) and (F).

2018—Subsec. (e)(2). Pub. L. 115-141, §401(a)(351), made technical amendment to directory language of Pub. L. 114-94, §32103(a). See 2015 Amendment note below.

2015—Subsec. (c). Pub. L. 114-94, §32102(a), added subsec. (c). Former subsec. (c) redesignated (e).

Subsec. (d). Pub. L. 114-94, §32102(b), added subsec. (d). Former subsec. (d) redesignated (f).

Subsec. (e). Pub. L. 114-94, §32102(a), (b), successively redesignated subsec. (c) as (d) and then as (e). Former subsec. (e) redesignated (g).

Subsec. (e)(2). Pub. L. 114-94, §32103(a), as amended by Pub. L. 115-141, §401(a)(351), substituted “to fund the special compliance personnel program account under section 6307” for “for collection enforcement activities of the Internal Revenue Service”.

Subsec. (f). Pub. L. 114-94, §32102(a), (b), successively redesignated subsec. (d) as (e) and then as (f). Former subsec. (f) redesignated (k).

Subsec. (g). Pub. L. 114-94, §32102(a), (b), successively redesignated subsec. (e) as (f) and then as (g).

Subsec. (h). Pub. L. 114-94, §32102(c), added subsec. (h).

Subsec. (i). Pub. L. 114-94, §32102(e), added subsec. (i).

Subsec. (j). Pub. L. 114-94, §32102(f)(1), added subsec. (j).

Subsec. (k). Pub. L. 114-94, §32102(a), (b), (c), (e), (f)(1), successively redesignated subsec. (f) as (g), (h), (i), (j), and then (k).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-25, title I, §1205(e), July 1, 2019, 133 Stat. 989, provided that:

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section [amending this section and section 6307 of this title] shall apply to tax receivables identified by the Secretary (or the Secretary’s delegate) after December 31, 2020.

“(2) MAXIMUM LENGTH OF INSTALLMENT AGREEMENTS.—The amendment made by subsection (c) [amending this section] shall apply to contracts entered into after the date of the enactment of this Act [July 1, 2019].

“(3) USE OF SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT.—The amendment made by subsection (d) [amending section 6307 of this title] shall apply to amounts expended from the special compliance per-

sonnel program account after the date of the enactment of this Act.”

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-94, div. C, title XXXII, §32102(g)(1), (2), Dec. 4, 2015, 129 Stat. 1736, provided that:

“(1) IN GENERAL.—The amendments made by subsections (a) and (b) [amending this section] shall apply to tax receivables identified by the Secretary [probably means Secretary of the Treasury] after the date of the enactment of this Act [Dec. 4, 2015].

“(2) CONTRACTING PRIORITY.—The Secretary shall begin entering into contracts and agreements as described in the amendment made by subsection (c) [amending this section] within 3 months after the date of the enactment of this Act.”

Pub. L. 114-94, div. C, title XXXII, §32102(g)(4), Dec. 4, 2015, 129 Stat. 1736, provided that: “The amendments made by subsections (e) and (f) [amending this section and repealing provisions formerly set out as a note under this section] shall take effect on the date of the enactment of this Act [Dec. 4, 2015].”

Pub. L. 114-94, div. C, title XXXII, §32103(d), Dec. 4, 2015, 129 Stat. 1738, provided that: “The amendment made by subsection (a) [amending this section] shall apply to amounts collected and retained by the Secretary [probably means Secretary of the Treasury] after the date of the enactment of this Act [Dec. 4, 2015].”

EFFECTIVE DATE

Pub. L. 108-357, title VIII, §881(f), Oct. 22, 2004, 118 Stat. 1627, provided that: “The amendments made to [by] this section [enacting this section and section 7433A of this title, amending sections 7809 and 7811 of this title, and amending provisions set out as a note under section 7804 of this title] shall take effect on the date of the enactment of this Act [Oct. 22, 2004].”

BIENNIAL REPORT

Pub. L. 108-357, title VIII, §881(e), Oct. 22, 2004, 118 Stat. 1627, directed the Secretary of the Treasury to biennially submit (beginning in 2005) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report with respect to qualified tax collection contracts under this section, prior to repeal by Pub. L. 114-94, div. C, title XXXII, §32102(f)(2), Dec. 4, 2015, 129 Stat. 1736.

§ 6307. Special compliance personnel program account**(a) Establishment of a special compliance personnel program account**

The Secretary shall establish an account within the Department for carrying out a program consisting of the hiring, training, and employment of special compliance personnel, and shall transfer to such account from time to time amounts retained by the Secretary under section 6306(e)(2).

(b) Restrictions

The program described in subsection (a) shall be subject to the following restrictions:

(1) No funds shall be transferred to such account except as described in subsection (a).

(2) No other funds from any other source shall be expended for special compliance personnel employed under such program.

(3) Notwithstanding any other authority, the Secretary is prohibited from spending funds out of such account for other than program costs.

(c) Reporting

Not later than March of each year, the Commissioner of Internal Revenue shall submit a re-