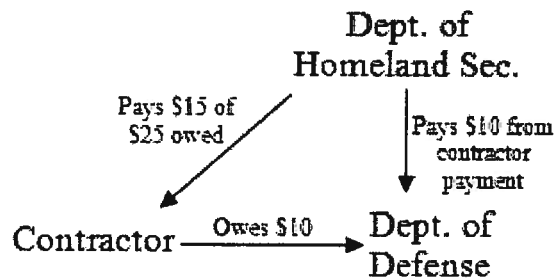


Representative R. Lee James
64th Legislative District

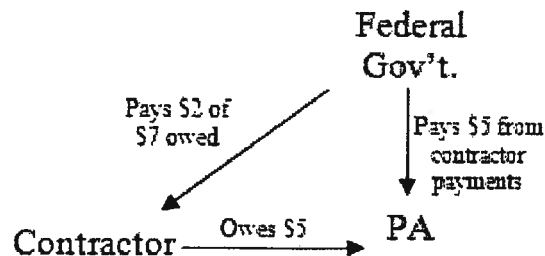


House Bill TBA: Inter-Governmental Payment Offset Program Act

- This legislation will authorize the Department of Revenue to join the Treasury Offset Program. It is the federal government's centralized debt collection program.
- Essentially, if a person owes one federal agency money, but they are also due to receive a payment from another federal agency, then the amount owed will be deducted from the payment to clear the debt.
- Here's simplified situation of how it would work:
 - A government contractor owes the Department of Homeland Security \$10.
 - And, the Department of Defense is due to pay that contractor \$25 for an unrelated matter.
 - The Treasury Offset Program will pay off the \$10 debt owed to the Department of Homeland Security and pay the contractor the remaining \$15.



- The Federal government allows states to participate in this program as well.
 - To participate, the state also will have to agree to use the same kind of payment offset program for federal debts to be paid off from state payments.
- In this example, someone owes Pennsylvania or a local government \$5, and they are due to receive a payment of \$7 from the federal government. The Treasury Offset Program will pay off the \$5 debt to the state and pay that person the remaining \$2.



- My legislation takes this a step further by allowing the local governments to participate in the program as well. This benefits the Federal government, Pennsylvania, and our local governments.