



The Honorable Charles E. Schumer
 Majority Leader
 United States Senate
 Washington, D.C. 20510

The Honorable Mike Johnson
 Speaker
 United States House of Representatives
 Washington, D.C. 20510

The Honorable Mitch McConnell
 Minority Leader
 United States Senate
 Washington, D.C. 20510

The Honorable Hakeem Jeffries
 Minority Leader
 United States House of Representatives
 Washington, D.C. 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Johnson, and Minority Leader Jeffries:

As governors from across the nation, we urge you to pass the bipartisan *Strengthening State and Tribal Child Support Act* (H.R. 7906), which will help support the ability of state, Tribal, and local child support agencies to serve families in each of our states.

Maintaining states' and Tribes' ability to perform child support enforcement via federal tax offset is vital to ensuring the well-being of over 12 million children currently receiving the services of the child support program. It is critical that states and Tribes do not lose the ability to perform this essential action.

Background

Federal law requires child support agencies to access federal tax information (FTI) for establishment and enforcement purposes, including the federal tax refund offset program. Child support agencies across the country contract with private partners for this and a variety of critical services, including management of state disbursement units, which are responsible for disbursement of all child support funds collected in a

state, as well as technology services related to the maintenance and development of child support case management systems.

The Internal Revenue Service (IRS) has determined that direct access to FTI by Tribal child support programs is prohibited under current law and that contractor access to FTI is limited. Until last year, IRS audits of child support programs held those federal tax information findings in abeyance while waiting for a legislative solution.

The IRS and the federal Office of Child Support Services (OCSS) had agreed for decades to allow contractor access to FTI for the sole purpose of establishing and enforcing child support obligations as long as contactors adhered to stringent measures to ensure that confidential information remained protected. Importantly, contactors have never breached the extensive confidentiality requirements. A legislative solution to this issue is long overdue.

Legislative Solution

Introduced by Representative Kevin Hern (R-Oklahoma) and lead cosponsors Representatives Gwen Moore (D-Wisconsin) and Suzan DelBene (D-Washington), H.R. 7906 resolves a long-standing discrepancy in interpretation under the Internal Revenue Code of the use and definition of contractors, who are integral to assisting child support agencies in establishing and enforcing child support obligations. The companion to H.R. 7906, S.3154, was introduced in the Senate by Senator John Thune (R-South Dakota) and Senator Ron Wyden (D-Oregon).

The federal tax refund offset program collects tens of millions in current and past due child support every year. These vital funds for children across the nation are in jeopardy if resolution to this discrepancy is not addressed.

Based on preliminary cost estimates obtained from child support program directors across the country, absent this legislative solution, compliance with IRS requirements would total over \$1 billion nationally in additional costs for child support programs each year. These are the additional administrative costs associated with bringing current vendor-provided services in-house. The legislation would also provide Tribes with direct access to federal tax information to offset federal tax refunds from parents owing support to their children and allow them to obtain vital information to establish and enforce child support for children served by tribal child support agencies.

Bipartisan, Bicameral, Stakeholder Support

After many months of review and negotiation, this important effort and bill as introduced has earned bipartisan support and a nearly identical bill is pending in the Senate. Additionally, the IRS and the Office of Child Support Services were meaningfully engaged and involved throughout the process and supported the provisions. The four national associations representing state and Tribal child support agencies also support the bill.

This legislative fix clarifying the use of contractors provides administrative certainty for all agencies and provides Tribes with direct access to tax refund offsets, giving them another tool to support children and families. We support the passage of HR 7906 to avoid disruption in these essential services.

Sincerely,



Governor Tony Evers
State of Wisconsin



Governor Mike DeWine
State of Ohio



Governor Kay Ivey
State of Alabama



Governor Katie Hobbs
State of Arizona



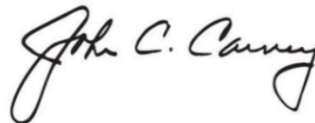
Governor Gavin Newsom
State of California



Governor Jared Polis
State of Colorado



Governor Ned Lamont
State of Connecticut



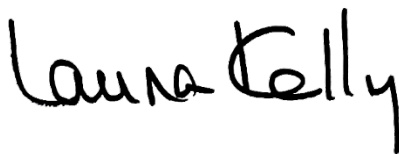
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State of Delaware



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State of Hawaii



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State of Illinois



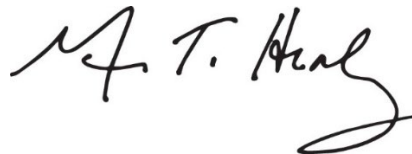
Governor Laura Kelly
State of Kansas



Governor Janet Mills
State of Maine



Governor Wes Moore
State of Maryland



Governor Maura Healey
State of Massachusetts



Governor Gretchen Whitmer
State of Michigan



Governor Mike Parson
State of Missouri



Governor Phil Murphy
State of New Jersey




Governor Michelle Lujan Grisham
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Governor Doug Burgum
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Governor Tina Kotek
State of Oregon




Governor Josh Shapiro
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Governor Dan McKee
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