

Internal Revenue Code Section 6306(a)

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 5 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) 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 for collection enforcement activities of the Internal Revenue Service.

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.

- (d) 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.
- (e) 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 shall apply to any qualified tax collection contract, except to the extent superseded by section 6304, section 7602(c), or by any other provision of this title.
- (f) 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).