



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 14, 2008
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5719 – Taxpayer Assistance and Simplification Act of 2008

(Rep. Rangel (D) New York and 16 cosponsors)

The Administration strongly opposes H.R. 5719, the so-called "Taxpayer Assistance and Simplification Act of 2008." The bill includes provisions that would impose new administrative burdens on the trustees of Health Savings Accounts (HSAs). These new burdens on HSA administrators are unnecessary for efficient tax administration, inconsistent with the flexibility purposely afforded HSAs at their inception, and could undermine efforts by employers, individuals, and insurers to reduce health care costs and improve health outcomes by empowering consumers to take greater control of health care decision-making. If H.R. 5719 were presented to the President with these provisions, his senior advisors would recommend he would veto the bill.

Also, the Administration strongly opposes the provisions of the bill that would repeal the current statutory authorization for the Internal Revenue Service (IRS) private debt collection program. As of February 2008, over 98,000 cases have been referred to contractors, representing over \$910 million in delinquent accounts. Terminating this program would result in a loss of \$578 million in revenue over the next ten years, according to Congress' Joint Committee on Taxation. These are tax dollars that are legally owed to the Government and are otherwise very unlikely to be collected by the IRS due to workload demands. As noted in previous Statements of Administration Policy, the Administration strongly opposes elimination of this program, which is not consistent with the Administration's commitment to a balanced approach toward improving taxpayer compliance and collecting outstanding tax liabilities. If H.R. 5719 were presented to the President with these provisions, his senior advisors would recommend that he veto the bill.

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