

Rothman Amendment to Stop the Privatization of Tax Collection Prevails

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(Washington, DC)—Today, Rep. Steve Rothman's (D-NJ) amendment to prevent President Bush from outsourcing the collection of taxes survived its final significant hurdle in the House, handing the second major victory to taxpayers in one week.

"This is a great day for taxpayers. After tonight, we are one giant step closer to saving hundreds of millions of dollars and safeguarding taxpayers' personal financial information from the grips of private, for-profit collection agencies," said Rothman.

In a bipartisan victory last week, Rothman's amendment to the 2007 Transportation, Treasury, Housing and Urban Development (T-THUD) Appropriations bill passed out of the House committee that determines federal spending in a vote of 29-27. The amendment prevents the Administration from spending \$54 million to set-up a system from scratch that would allow it to subcontract the collection of taxes.

Today, the Rothman Amendment survived a major hurdle in the House of Representatives when a Republican attempt to strike the amendment on a technicality failed and a counter-amendment threatened by Rep. Bill Thomas (R-CA) was not offered at the last minute.

"After this Administration has created a national debt of over \$8 trillion dollars and lost 26.5 million veterans' private information, why on earth would it push for this costly, dangerous privatization scheme? I am offended that the Administration continues to advocate for such a terrible deal, but this is a great victory in the House of Representatives and I am hopeful that the Senate will stand with us," added Rothman.

Over the past several months, Rothman has fought the Administration's plan to hire private, for-profit collection agencies to collect unpaid taxes. He has cited growing privacy concerns with the proposal, as well as its hefty price-tag of \$54 million in start-up costs for a scheme that lets private debt collection agencies charge 25 cents for every dollar collected while additional IRS employees will only cost the government 3 cents for every dollar collected.

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