

Client Alert

Federal Taxes, Contractor Responsibility, and Suspension and Debarment

April 25, 2008

A final rule was published on April 22, 2008 [http://www.crowell.com/pdf/Fed-Reg_Vol73-No78.pdf], requiring all offerors, even those offering commercial items, to certify whether they have “delinquent federal taxes in an amount that exceeds \$3,000” and requiring CO's to consider such a delinquency in a responsibility determination and to notify the agency's suspension and debarment official. The rule includes such a tax delinquency and “violating Federal criminal tax laws” as new grounds for suspension and debarment, but a tax liability is not considered delinquent until all administrative and judicial appeal rights have been exhausted and until the offeror fails to pay the taxes when due.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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