



United States House Committee on  
**Ways & Means**  
**CHAIRMAN JASON SMITH**

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## **Strengthening State and Tribal Child Support Act (H.R. 7906)**

**Background:** The Child Support Enforcement (CSE) program is dedicated to obtaining child support for custodial parents and acts as a vital support system for millions of families across the country. In 2022, the CSE program collected \$27.4 billion in child support payments, serving 12.7 million families and 18 percent of all children in the U.S. Among these families, 24 percent had incomes below the federal poverty line.

**Issue:** State child support agencies have several tools at their disposal to collect child support from non-custodial parents. One of these is the Federal Tax Offset Refund program administered by the Internal Revenue Service (IRS). With this program, states can intercept tax refunds of non-custodial parents to collect child support on behalf of custodial parents.

- For decades the IRS “held in abeyance” findings that states shared federal taxpayer information (FTI) collected through the offset program with contractors as part of their CSE operations.
- In February 2023, the IRS reversed course and set a deadline of October 1, 2024, for states to discontinue disclosures of FTI from the Federal Tax Offset Refund program to contractors. This could impact at least 42 states that use contractors to help administer their CSE programs.
- The IRS pointed to a conflict between the Social Security Act and the Internal Revenue Code, acknowledging legislation was needed to provide explicit statutory authority for such disclosures.
- Without a legislative fix, the IRS’s October deadline could cost the states and federal government hundreds of millions of dollars and suspend child support payments to millions of families.
- In addition, the IRS’s decision impacts tribes which have never had direct access to the Federal Tax Refund Offset Program and are forced to contract with states to collect past-due support for their families. Sixty tribes currently operate CSE programs.

### **The Strengthening State and Tribal Child Support Act would allow states to continue use of contractors and provide parity for tribes.**

- This bill provides the needed statutory authority for states to use contractors to administer their CSE programs without being in violation of IRS FTI disclosure rules.
- It also authorizes direct access for tribal entities, providing much-needed parity for tribes.
- The President’s Fiscal Year 2025 budget request includes a legislative proposal similar to this bill, and estimated the policy changes could save \$1.2 billion over ten years.
- Supporters of H.R. 7906 include the: National Child Support Engagement Association, National Council of Child Support Directors, National Tribal Child Support Association, and National Association of Tribal Child Support Directors.