

Washington, DC (April 18, 2012) – Today, the Oversight and Government Reform Committee unanimously agreed to the inclusion of an amendment by Ranking Member Elijah E. Cummings to use revenue generated from tax levies on Thrift Savings Plan (TSP) accounts to pay down the nation's deficit.

“Let me be clear: this revenue should be used to reduce the federal deficit,” Cummings said. “It should not be used to pay for a transportation bill or any other government program.”

Cummings offered the amendment to H. R. 4365, a bill introduced by Rep. Ann Marie Buerkle to make TSP accounts subject to federal tax levies. Currently, the IRS is able to levy private sector 401(k) plans to collect unpaid taxes, but it is unable to garnish TSP accounts. This legislation would ensure equal treatment between federal TSP accounts and private-sector 401(k) accounts by granting to the IRS the authority to impose levies on federal employees' TSP accounts. The Joint Committee on Taxation points out that the legislation will most likely affect individuals that are either separated or retired from federal service, since the IRS generally garnishes workers' wages before seizing their personal assets.

The Joint Committee on Taxation anticipates that this legislation will generate \$22 million in revenue over the next ten years.