

## **BILL ANALYSIS**

C.S.H.B. 401  
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Juvenile Justice & Family Issues  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Local communities operate Volunteer Income Tax Assistance Programs(VITA) in collaboration with the IRS. The purpose of this program is to provide free federal income tax preparation assistance to low-income and other eligible taxpayers. Furthermore, the assistance allows low-income individuals to take advantage of all eligible tax credits, especially the Earned Income Tax Credit(EITC), and therefore, maximize their tax refund.

There are many people who owe past-due child support. One way past-due child support is collected is through this person's federal income tax refund. The Attorney General has the power to withhold the obligor's federal income tax refund to pay past-due child support. However, many obligors do not take advantage of federal tax credits when filing their income tax. Therefore, the amount of the tax refund available to pay child support is diminished.

This legislation seeks to maximize the amount of tax refunds available to child support obligor's through collaboration with local VITA initiatives and a state-wide effort by the Office of the Attorney General to inform obligors of the availability of services by the volunteer income tax assistance program.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

**Section 1.** Amends Subchapter B, Chapter 231 of the Family Code by adding Section 231.122 to require the Office of the Attorney General to cooperate with the volunteer income tax assistance programs by informing obligors state-wide of the availability of the program. Additionally, the Title IV-D agency shall publicize the services of the volunteer income tax assistance program by distributing printed materials regarding the programs and by placing information regarding the programs on their website. The Title IV-D agency is not responsible for producing or paying the costs of producing these printed materials.

**Section 2.** This Act takes effect September 1, 2005.

### **EFFECTIVE DATE**

September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B.401 modifies the original HB 401 by replacing the pilot program in Bexar County has with a state-wide effort by the Office of the Attorney General to inform obligors of the availability of services by the volunteer income tax assistance program. The Office of the Attorney General is no longer required to submit a report regarding the pilot program. Furthermore, the Office of the Attorney General will now utilize materials already created. Therefore, the Office of the Attorney General will not be responsible for the costs of producing materials, but will be responsible for other costs, including copying costs.

