

By: Villarreal

H.B. No. 1995

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a grant program to encourage investment of federal  
3 earned income tax credit funds.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter A, Chapter 302, Labor Code, is  
6 amended by adding Section 302.014 to read as follows:

7 Sec. 302.014. FEDERAL EARNED INCOME TAX CREDIT GRANT  
8 PROGRAM. (a) In this section, "volunteer income tax assistance  
9 program" means a program operated through a collaboration of the  
10 Internal Revenue Service and a local governmental entity or other  
11 entity under which low-income and other eligible taxpayers receive  
12 free assistance in preparing federal income tax returns.

13 (b) To the extent authorized by federal law, the commission  
14 shall distribute \$1 million during each state fiscal biennium to  
15 the local workforce development boards from funds received under  
16 the federal Temporary Assistance for Needy Families block grant  
17 that are available for discretionary purposes. If necessary to  
18 implement this section, the comptroller shall transfer funds  
19 received under the block grant that are available for discretionary  
20 purposes from the Health and Human Services Commission to the  
21 commission.

22 (c) The local workforce development boards shall administer  
23 a matching grant program using funds distributed under Subsection  
24 (b) to provide matching grants to volunteer income tax assistance

1 programs or other free federal earned income tax credit assistance  
2 programs operated by local public or private entities. To be  
3 eligible for a matching grant under this section, the program must  
4 provide:

5 (1) information regarding eligibility for the federal  
6 earned income tax credit and assistance to eligible persons with  
7 applying for that credit; and

8 (2) information regarding individual development  
9 accounts and assistance to persons who receive federal earned  
10 income tax credit funds with investing those funds in individual  
11 development accounts in which expenditures are limited to those  
12 related to housing or educational expenses.

13 (d) The commission shall adopt rules to implement this  
14 section.

15 SECTION 2. If before implementing any provision of this Act  
16 a state agency determines that a waiver or authorization from a  
17 federal agency is necessary for implementation of that provision,  
18 the agency affected by the provision shall request the waiver or  
19 authorization and may delay implementing that provision until the  
20 waiver or authorization is granted.

21 SECTION 3. This Act takes effect September 1, 2005.