

## BILL ANALYSIS

Senate Research Center  
80R4853 BEF-D

S.B. 1830  
By: Uresti  
Finance  
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As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Federal income tax credits are a tool to potentially boost working Texas families above the poverty line and into self-sufficiency. While data from the Center for Public Policy Priorities shows the positive effects of certain tax credits in bringing over 400,000 Texans out of poverty, many eligible Texas families do not claim these credits. The Internal Revenue Service currently runs free tax preparation services through 160 Volunteer Income Tax Assistance (VITA) sites in Texas that collectively prepare over 60,000 tax returns per year.

While the IRS provides VITA sites with training and equipment, the nonprofit and public agencies that administer them are responsible for raising operating and outreach funds. As the comptroller of public accounts (comptroller) is designated as "the lead state agency in promoting awareness of the federal income tax credit program for working families," the comptroller's office may be an appropriate site for a program to support VITA sites with grants of state funds, as no such state program currently exists.

As proposed, S.B. 1830 requires the comptroller to establish a VITA grant program for the purpose of distributing grants to eligible VITA sites and to provide certain eligibility standards.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 403.361, Government Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 403, Government Code, by adding Subchapter O, as follows:

#### SUBCHAPTER O. VOLUNTEER INCOME TAX ASSISTANCE GRANT PROGRAM

Sec. 403.351. DEFINITIONS. Defines "grant program" and "volunteer income tax assistance program."

Sec. 403.352. ESTABLISHMENT OF VOLUNTEER INCOME TAX ASSISTANCE GRANT PROGRAM. Requires the comptroller of public accounts (comptroller) to establish a volunteer income tax assistance grant program (grant program) through which the comptroller will award grants each year for the implementation and operation of volunteer income tax assistance programs (VITA program) in the subsequent year.

Sec. 403.353. ADMINISTRATION OF GRANT PROGRAM. Requires the comptroller, in the year preceding the year in which grant recipients will operate VITA programs, to issue a request for proposals to participating in the grant program on or before June 30, to select and notify grant recipients on or before September 30, and to distribute grant program money on or before November 30.

Sec. 403.354. APPLICATION. (a) Authorizes a public or private entity, including a county, municipality, or other political subdivision of this state, to apply for a grant through the grant program.

(b) Requires an applicant to submit a written form to the comptroller on a form prescribed by the comptroller to apply for a grant.

Sec. 403.355. ELIGIBILITY. Sets forth certain requirements for an applicant to be eligible for a grant.

Sec. 403.356. ADDITIONAL CONSIDERATIONS IN AWARDING GRANTS. Requires the comptroller, in addition to the eligibility requirements in Section 403.355, to give special consideration to applicants based on certain provisions in determining whether to award a grant to an applicant.

Sec. 403.357. LIMITATION. Prohibits a single grant recipient from receiving more than 25 percent of the total amount of grant program money distributed in one year.

Sec. 403.358. USE OF GRANT PROGRAM MONEY. Authorizes the use of grant program money only for the wages of VITA program staff, certain VITA program costs, and the costs of recruiting and training VITA program volunteers.

Sec. 403.359. PERFORMANCE AGREEMENT. Requires each person awarded a grant to enter into a performance agreement with the comptroller detailing the comptroller's expectations for the use of the grant program money and the work to be performed by the person.

Sec. 403.360. PERFORMANCE REPORT. Requires each grant recipient to submit a performance report to the comptroller not later than May 30 of the year in which the recipient operates a VITA program using grant program money. Requires the performance report to include detailed information about each expenditure of grant program money made by the grant recipient.

Sec. 403.361. RULES. Requires the comptroller to adopt rules as necessary to implement this subchapter.

SECTION 2. (a) Defines "grant program" for this section.

(b) Requires the comptroller, for grants awarded under the grant program that will be used to operate VITA programs during 2008, to issue a request for proposals to participating in the grant program on or before September 15, 2007, to select and notify grant recipients on or before November 15, 2007, and to distribute grant program money on or before December 15, 2007, notwithstanding Section 403.353, Government Code, as added by this Act.

SECTION 3. Effective date: September 1, 2007.