

By: Uresti

S.B. No. 1830

A BILL TO BE ENTITLED

AN ACT

relating to a grant program for the implementation and operation of
volunteer income tax assistance programs.

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

SECTION 1. Chapter 403, Government Code, is amended by
adding Subchapter O to read as follows:

SUBCHAPTER O. VOLUNTEER INCOME TAX ASSISTANCE GRANT PROGRAM

Sec. 403.351. DEFINITIONS. In this subchapter:

(1) "Grant program" means the volunteer income tax
assistance grant program established under this subchapter.

(2) "Volunteer income tax assistance program" means a
program operated through a collaboration of the Internal Revenue
Service and a local governmental entity or other entity under which
low-income and other eligible taxpayers receive free assistance in
preparing federal income tax returns.

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

Sec. 403.353. ADMINISTRATION OF GRANT PROGRAM. In the year
preceding the year in which grant recipients will operate volunteer
income tax assistance programs, the comptroller shall:

1 (1) issue a request for proposals to participate in
2 the grant program on or before June 30;

3 (2) select and notify grant recipients on or before
4 September 30; and

5 (3) distribute grant program money on or before
6 November 30.

7 Sec. 403.354. APPLICATION. (a) A public or private entity,
8 including a county, municipality, or other political subdivision of
9 this state, may apply for a grant under this subchapter.

10 (b) To apply for a grant, an applicant must submit a written
11 application to the comptroller on a form prescribed by the
12 comptroller.

13 Sec. 403.355. ELIGIBILITY. To be eligible for a grant, an
14 applicant must:

15 (1) have operated at least one volunteer income tax
16 assistance site during the year the application is submitted and at
17 least one site during the preceding year;

18 (2) be certified by the Internal Revenue Service as a
19 volunteer income tax assistance administrator;

20 (3) have a valid Electronic Filer Identification
21 Number assigned by the Internal Revenue Service;

22 (4) have achieved, if the applicant was previously
23 awarded a grant under this subchapter, an average refund of \$20 for
24 each federal income tax return that was prepared using grant
25 program money in each of the previous years for which the applicant
26 was awarded a grant under this subchapter;

27 (5) submit to the comptroller a letter of support from

1 the applicant's regional Internal Revenue Service Stakeholder,
2 Partnerships, Education, and Communication representative; and

3 (6) agree to operate the applicant's volunteer income
4 tax assistance program using a mixture of funding that consists of
5 not more than 65 percent grant program money.

6 Sec. 403.356. ADDITIONAL CONSIDERATIONS IN AWARDING
7 GRANTS. In addition to the eligibility requirements in Section
8 403.355, in determining whether to award a grant to an applicant the
9 comptroller shall give special consideration to applicants who
10 will:

11 (1) serve areas that have historically experienced low
12 earned income tax credit claim rates;

13 (2) serve areas that have historically experienced
14 high usage rates of refund anticipation loans or similar products;

15 (3) encourage clients to divide their income tax
16 refunds and save a portion of the refund; and

17 (4) encourage clients to use asset building and
18 savings products.

19 Sec. 403.357. LIMITATION. A single grant recipient may not
20 receive more than 25 percent of the total amount of grant program
21 money distributed in one year.

22 Sec. 403.358. USE OF GRANT PROGRAM MONEY. Grant program
23 money may be used only to pay:

24 (1) the wages of volunteer income tax assistance
25 program staff;

26 (2) the costs of operating the volunteer income tax
27 assistance program, including rent, computers, furniture, office

1 supplies, telephone service, and Internet service; and

2 (3) the costs of recruiting and training program
3 volunteers.

4 Sec. 403.359. PERFORMANCE AGREEMENT. Each person awarded a
5 grant shall enter into a performance agreement with the comptroller
6 detailing the comptroller's expectations for the use of the grant
7 program money and the work to be performed by the person.

8 Sec. 403.360. PERFORMANCE REPORT. Each grant recipient
9 shall submit a performance report to the comptroller not later than
10 May 30 of the year in which the recipient operates a volunteer
11 income tax assistance program using grant program money. The
12 performance report must include detailed information about each
13 expenditure of grant program money made by the grant recipient.

14 Sec. 403.361. RULES. The comptroller shall adopt rules as
15 necessary to implement this subchapter.

16 SECTION 2. (a) In this section, "grant program" means the
17 volunteer income tax assistance grant program established under
18 Subchapter O, Chapter 403, Government Code, as added by this Act.

19 (b) Notwithstanding Section 403.353, Government Code, as
20 added by this Act, for grants awarded under the grant program that
21 will be used to operate volunteer income tax assistance programs
22 during 2008, the comptroller shall:

23 (1) issue a request for proposals to participate in
24 the grant program on or before September 15, 2007;

25 (2) select and notify grant recipients on or before
26 November 15, 2007; and

27 (3) distribute grant money on or before December 15,

1 2007.

2 SECTION 3. This Act takes effect September 1, 2007.