

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 13, 2007

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1948 by Villarreal (Relating to a grant program for the implementation and operation of volunteer income tax assistance programs.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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This bill would add a new subchapter to Chapter 403 of the Government Code to direct the Comptroller to establish a Volunteer Income Tax Assistance Grant Program through which the Comptroller would award grants each year for the implementation and operation of volunteer income tax assistance programs in the subsequent year. The programs would be operated through a collaboration of the Internal Revenue Service and local governments or other entities under which low-income taxpayers received free assistance in preparing federal income tax returns.

The bill would require the CPA to issue requests for proposals, select grant recipients, and distribute grant money. The bill would establish eligibility qualifications and program performance standards. Applicants would have to have operated volunteer income tax assistance sites in the current and previous year and be certified by the Internal Revenue Service. Operational funding would have to consist of not more than 65 percent of grant money. Grant recipients would have to enter into a performance agreement with the Comptroller and submit a performance report to the Comptroller each year.

Any additional costs associated with the implementation of the bill could be absorbed within existing resources of the Comptroller's Office.

Local Government Impact

There would be some gains to political subdivisions, but it would depend upon the number that apply for and are awarded a grant to provide the required services.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KJG, CT, JM