

115TH CONGRESS
1ST SESSION

H. R. 2901

To amend the Internal Revenue Code of 1986 to make permanent the
Volunteer Income Tax Assistance matching grant program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2017

Mr. CURBELO of Florida (for himself and Mr. DANNY K. DAVIS of Illinois)
introduced the following bill; which was referred to the Committee on
Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make
permanent the Volunteer Income Tax Assistance match-
ing grant program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Volunteer Income Tax
5 Assistance Permanence Act of 2017”.

1 **SEC. 2. RETURN PREPARATION PROGRAMS FOR LOW-IN-**
2 **COME TAXPAYERS.**

3 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
4 enue Code of 1986 is amended by inserting after section
5 7526 the following new section:

6 **“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR LOW-**
7 **INCOME TAXPAYERS.**

8 “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX
9 ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-
10 retary, through the Internal Revenue Service, shall estab-
11 lish a Community Volunteer Income Tax Assistance
12 Matching Grant Program under which the Secretary may,
13 subject to the availability of appropriated funds, make
14 grants to provide matching funds for the development, ex-
15 pansion, or continuation of qualified return preparation
16 programs assisting low-income taxpayers and members of
17 underserved populations.

18 “(b) USE OF FUNDS.—

19 “(1) IN GENERAL.—Qualified return prepara-
20 tion programs may use grants received under this
21 section for—

22 “(A) ordinary and necessary costs associ-
23 ated with program operation in accordance with
24 cost principles under the applicable Office of
25 Management and Budget circular, including—

1 “(i) wages or salaries of persons co-
2 ordinating the activities of the program,

3 “(ii) developing training materials,
4 conducting training, and performing qual-
5 ity reviews of the returns prepared under
6 the program,

7 “(iii) equipment purchases, and

8 “(iv) vehicle-related expenses associ-
9 ated with remote or rural tax preparation
10 services,

11 “(B) outreach and educational activities
12 described in subsection (c)(2)(B), and

13 “(C) services related to financial education
14 and capability, asset development, and the es-
15 tablishment of savings accounts in connection
16 with tax return preparation.

17 “(2) USE OF GRANTS FOR OVERHEAD EX-
18 PENSES PROHIBITED.—No grant received under this
19 section may be used for overhead expenses that are
20 not directly related to a qualified return preparation
21 program.

22 “(c) APPLICATION.—

23 “(1) IN GENERAL.—Each applicant for a grant
24 under this section shall submit an application to the
25 Secretary at such time, in such manner, and con-

1 taining such information as the Secretary may rea-
2 sonably require.

3 “(2) PRIORITY.—In awarding grants under this
4 section, the Secretary shall give priority to applica-
5 tions which demonstrate—

6 “(A) assistance to low-income taxpayers,
7 with emphasis on outreach to, and services for,
8 such taxpayers,

9 “(B) taxpayer outreach and educational
10 activities relating to eligibility and availability
11 of income supports available through the Inter-
12 nal Revenue Code of 1986, including the earned
13 income tax credit, and

14 “(C) specific outreach and focus on one or
15 more underserved populations.

16 “(3) AMOUNTS TAKEN INTO ACCOUNT.—In de-
17 termining matching grants under this section, the
18 Secretary shall only take into account amounts pro-
19 vided by the qualified return preparation program
20 for expenses described in subsection (b).

21 “(d) ACCURACY REVIEWS.—

22 “(1) IN GENERAL.—The Secretary shall estab-
23 lish procedures for, and shall conduct, periodic site
24 visits of qualified return preparation programs oper-
25 ating under a grant under this section—

1 “(A) to ensure such programs are carrying
2 out the purposes of this section, and

3 “(B) to determine the return preparation
4 accuracy rate of the program.

5 “(2) ADDITIONAL REQUIREMENTS FOR GRANT
6 RECIPIENTS NOT MEETING MINIMUM STANDARDS.—
7 In the case of any qualified return preparation pro-
8 gram which—

9 “(A) is awarded a grant under this section,
10 and

11 “(B) is subsequently determined—

12 “(i) to have a less than 90 percent av-
13 erage accuracy rate for preparation of tax
14 returns, or

15 “(ii) not to be otherwise carrying out
16 the purposes of this section,

17 such program shall not be eligible for any additional
18 grants under this section unless such program pro-
19 vides sufficient documentation of corrective meas-
20 ures established to address any such deficiencies de-
21 termined.

22 “(e) DEFINITIONS.—For purposes of this section—

23 “(1) QUALIFIED RETURN PREPARATION PRO-
24 GRAM.—The term ‘qualified return preparation pro-
25 gram’ means any program—

1 “(A) which provides assistance to individ-
2 uals, not less than 90 percent of whom are low-
3 income taxpayers, in preparing and filing Fed-
4 eral income tax returns,

5 “(B) which is administered by a qualified
6 entity,

7 “(C) in which all volunteers who assist in
8 the preparation of Federal income tax returns
9 meet the training requirements prescribed by
10 the Secretary, and

11 “(D) which uses a quality review process
12 which reviews 100 percent of all returns.

13 “(2) QUALIFIED ENTITY.—

14 “(A) IN GENERAL.—The term ‘qualified
15 entity’ means any entity which—

16 “(i) is an eligible organization,

17 “(ii) is in compliance with Federal tax
18 filing and payment requirements,

19 “(iii) is not debarred or suspended
20 from Federal contracts, grants, or coopera-
21 tive agreements, and

22 “(iv) agrees to provide documentation
23 to substantiate any matching funds pro-
24 vided pursuant to the grant program under
25 this section.

1 “(B) ELIGIBLE ORGANIZATION.—The term
2 ‘eligible organization’ means—

3 “(i) an institution of higher education
4 which is described in section 102 (other
5 than subsection (a)(1)(C) thereof) of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1002), as in effect on the date of the en-
8 actment of this section, and which has not
9 been disqualified from participating in a
10 program under title IV of such Act,

11 “(ii) an organization described in sec-
12 tion 501(e) and exempt from tax under
13 section 501(a),

14 “(iii) a local government agency, in-
15 cluding—

16 “(I) a county or municipal gov-
17 ernment agency, and

18 “(II) an Indian tribe, as defined
19 in section 4(13) of the Native Amer-
20 ican Housing Assistance and Self-De-
21 termination Act of 1996 (25 U.S.C.
22 4103(13)), including any tribally des-
23 ignated housing entity (as defined in
24 section 4(22) of such Act (25 U.S.C.
25 4103(22))), tribal subsidiary, subdivi-

1 sion, or other wholly owned tribal en-
2 tity,

3 “(iv) a local, State, regional, or na-
4 tional coalition (with one lead organization
5 which meets the eligibility requirements of
6 clause (i), (ii), or (iii) acting as the appli-
7 cant organization), or

8 “(v) in the case of a targeted popu-
9 lation or community with respect to which
10 no organizations described in the preceding
11 clauses are available—

12 “(I) a State government agency,
13 or

14 “(II) an office providing Cooper-
15 ative Extension services (as estab-
16 lished at the land-grant colleges and
17 universities under the Smith-Lever
18 Act of May 8, 1914).

19 “(3) LOW-INCOME TAXPAYERS.—The term ‘low-
20 income taxpayer’ means a taxpayer whose income
21 for the taxable year does not exceed an amount
22 equal to the completed phaseout amount under sec-
23 tion 32(b) for a married couple filing a joint return
24 with 3 or more qualifying children, as determined in
25 a revenue procedure or other published guidance.

1 “(4) UNDERSERVED POPULATION.—The term
2 ‘underserved population’ includes populations of per-
3 sons with disabilities, persons with limited English
4 proficiency, Native Americans, individuals living in
5 rural areas, members of the Armed Forces and their
6 spouses, and the elderly.

7 “(f) SPECIAL RULES AND LIMITATIONS.—

8 “(1) DURATION OF GRANTS.—Upon application
9 of a qualified return preparation program, the Sec-
10 retary is authorized to award a multi-year grant not
11 to exceed 3 years.

12 “(2) AGGREGATE LIMITATION.—Unless other-
13 wise provided by specific appropriation, the Sec-
14 retary shall not allocate more than \$30,000,000 per
15 fiscal year (exclusive of costs of administering the
16 program) to grants under this section.

17 “(g) PROMOTION AND REFERRAL.—

18 “(1) PROMOTION.—The Secretary shall pro-
19 mote tax preparation through qualified return prepa-
20 ration programs through the use of mass commu-
21 nications, referrals, and other means.

22 “(2) INTERNAL REVENUE SERVICE REFER-
23 RALS.—The Secretary may refer taxpayers to quali-
24 fied return preparation programs receiving grants
25 under this section.

1 “(3) VITA GRANTEE REFERRAL.—Qualified re-
2 turn preparation programs receiving a grant under
3 this section are encouraged to refer, as appropriate,
4 to local or regional Low Income Taxpayer Clinics in-
5 dividuals who are eligible for such clinics.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 for chapter 77 is amended by inserting after the item re-
8 lating to section 7526 the following new item:

“7526A. Return preparation programs for low-income taxpayers.”.

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