

116TH CONGRESS  
1ST SESSION

# H. R. 1875

To amend the Internal Revenue Code of 1986 to facilitate nationwide availability of volunteer income tax assistance for low-income and underserved populations.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2019

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

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## A BILL

To amend the Internal Revenue Code of 1986 to facilitate nationwide availability of volunteer income tax assistance for low-income and underserved populations.

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 2019” or as the “VITA  
6 Permanence Act of 2019”.

1 **SEC. 2. RETURN PREPARATION PROGRAMS FOR APPLICA-**  
2 **BLE 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 AP-**  
7 **PLICABLE TAXPAYERS.**

8 “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX  
9 ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-  
10 retary shall establish a Community Volunteer Income Tax  
11 Assistance Matching Grant Program under which the Sec-  
12 retary may, subject to the availability of appropriated  
13 funds, make grants to provide matching funds for the de-  
14 velopment, expansion, or continuation of qualified return  
15 preparation programs assisting applicable taxpayers and  
16 members of underserved populations.

17 “(b) USE OF FUNDS.—

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

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

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

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

5           “(iii) equipment purchases, and

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

9           “(B) outreach and educational activities  
10          described in subsection (c)(2)(B), and

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

15          “(2) REQUIREMENT OF MATCHING FUNDS.—A  
16          qualified return preparation program must provide  
17          matching funds on a dollar-for-dollar basis for all  
18          grants provided under this section. Matching funds  
19          may include—

20                 “(A) the salary (including fringe benefits)  
21                 of individuals performing services for the pro-  
22                 gram,

23                 “(B) the cost of equipment used in the  
24                 program, and

1           “(C) other ordinary and necessary costs  
2           associated with the program.

3           Indirect expenses, including general overhead of any  
4           entity administering the program, shall not be  
5           counted as matching funds.

6           “(c) APPLICATION.—

7           “(1) IN GENERAL.—Each applicant for a grant  
8           under this section shall submit an application to the  
9           Secretary at such time, in such manner, and con-  
10          taining such information as the Secretary may rea-  
11          sonably require.

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

15                 “(A) assistance to applicable taxpayers,  
16                 with emphasis on outreach to, and services for,  
17                 such taxpayers,

18                 “(B) taxpayer outreach and educational  
19                 activities relating to eligibility and availability  
20                 of income supports available through this title,  
21                 including the earned income tax credit, and

22                 “(C) specific outreach and focus on one or  
23                 more underserved populations.

24          “(3) AMOUNTS TAKEN INTO ACCOUNT.—In de-  
25          termining matching grants under this section, the

1 Secretary shall only take into account amounts pro-  
2 vided by the qualified return preparation program  
3 for expenses described in subsection (b).

4 “(d) PROGRAM ADHERENCE.—

5 “(1) IN GENERAL.—The Secretary shall estab-  
6 lish procedures for, and shall conduct not less fre-  
7 quently than once every 5 calendar years during  
8 which a qualified return preparation program is op-  
9 erating under a grant under this section, periodic  
10 site visits—

11 “(A) to ensure the program is carrying out  
12 the purposes of this section, and

13 “(B) to determine whether the program  
14 meets such program adherence standards as the  
15 Secretary shall by regulation or other guidance  
16 prescribe.

17 “(2) ADDITIONAL REQUIREMENTS FOR GRANT  
18 RECIPIENTS NOT MEETING PROGRAM ADHERENCE  
19 STANDARDS.—In the case of any qualified return  
20 preparation program which—

21 “(A) is awarded a grant under this section,  
22 and

23 “(B) is subsequently determined—

1                   “(i) not to meet the program adher-  
2                   ence standards described in paragraph  
3                   (1)(B), or

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

6                   such program shall not be eligible for any additional  
7                   grants under this section unless such program pro-  
8                   vides sufficient documentation of corrective meas-  
9                   ures established to address any such deficiencies de-  
10                  termined.

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

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

15                   “(A) which provides assistance to individ-  
16                   uals, not less than 90 percent of whom are ap-  
17                   plicable taxpayers, in preparing and filing Fed-  
18                   eral income tax returns,

19                   “(B) which is administered by a qualified  
20                   entity,

21                   “(C) in which all volunteers who assist in  
22                   the preparation of Federal income tax returns  
23                   meet the training requirements prescribed by  
24                   the Secretary, and

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

3           “(2) QUALIFIED ENTITY.—

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

6                   “(i) is an eligible organization,

7                   “(ii) is in compliance with Federal tax  
8 filing and payment requirements,

9                   “(iii) is not debarred or suspended  
10 from Federal contracts, grants, or coopera-  
11 tive agreements, and

12                   “(iv) agrees to provide documentation  
13 to substantiate any matching funds pro-  
14 vided pursuant to the grant program under  
15 this section.

16           “(B) ELIGIBLE ORGANIZATION.—The term  
17 ‘eligible organization’ means—

18                   “(i) an institution of higher education  
19 which is described in section 102 (other  
20 than subsection (a)(1)(C) thereof) of the  
21 Higher Education Act of 1965 (20 U.S.C.  
22 1002), as in effect on the date of the en-  
23 actment of this section, and which has not  
24 been disqualified from participating in a  
25 program under title IV of such Act,

1 “(ii) an organization described in sec-  
2 tion 501(c) and exempt from tax under  
3 section 501(a),

4 “(iii) a local government agency, in-  
5 cluding—

6 “(I) a county or municipal gov-  
7 ernment agency, and

8 “(II) an Indian tribe, as defined  
9 in section 4(13) of the Native Amer-  
10 ican Housing Assistance and Self-De-  
11 termination Act of 1996 (25 U.S.C.  
12 4103(13)), including any tribally des-  
13 igned housing entity (as defined in  
14 section 4(22) of such Act (25 U.S.C.  
15 4103(22))), tribal subsidiary, subdivi-  
16 sion, or other wholly owned tribal en-  
17 tity,

18 “(iv) a local, State, regional, or na-  
19 tional coalition (with one lead organization  
20 which meets the eligibility requirements of  
21 clause (i), (ii), or (iii) acting as the appli-  
22 cant organization), or

23 “(v) in the case of applicable tax-  
24 payers and members of underserved popu-  
25 lations with respect to which no organiza-



1                   tions described in the preceding clauses are  
2                   available—

3                               “(I) a State government agency,

4                               or

5                               “(II) an office providing Cooper-  
6                               ative Extension services (as estab-  
7                               lished at the land-grant colleges and  
8                               universities under the Smith-Lever  
9                               Act of May 8, 1914).

10                   “(3) APPLICABLE TAXPAYERS.—The term ‘ap-  
11                   plicable taxpayer’ means a taxpayer whose income  
12                   for the taxable year does not exceed an amount  
13                   equal to the completed phaseout amount under sec-  
14                   tion 32(b) for a married couple filing a joint return  
15                   with three or more qualifying children, as deter-  
16                   mined in a revenue procedure or other published  
17                   guidance.

18                   “(4) UNDERSERVED POPULATION.—The term  
19                   ‘underserved population’ includes populations of per-  
20                   sons with disabilities, persons with limited English  
21                   proficiency, Native Americans, individuals living in  
22                   rural areas, members of the Armed Forces and their  
23                   spouses, and the elderly.

24                   “(f) SPECIAL RULES AND LIMITATIONS.—

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

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

10          “(g) PROMOTION OF PROGRAMS.—

11           “(1) IN GENERAL.—The Secretary shall pro-  
12 mote tax preparation through qualified return prepa-  
13 ration programs through the use of mass commu-  
14 nications and other means.

15           “(2) PROVISION OF INFORMATION REGARDING  
16 QUALIFIED RETURN PREPARATION PROGRAMS.—The  
17 Secretary may provide taxpayers information regard-  
18 ing qualified return preparation programs receiving  
19 grants under this section.

20           “(3) REFERRALS TO QUALIFIED LOW-INCOME  
21 TAXPAYER CLINICS.—Qualified return preparation  
22 programs receiving a grant under this section are  
23 encouraged, in appropriate cases, to—

24           “(A) advise taxpayers of the availability of,  
25 and eligibility requirements for receiving, advice

1           and assistance from qualified low-income tax-  
2           payer clinics receiving funding under section  
3           7526, and

4                   “(B) provide information regarding the lo-  
5           cation of, and contact information for, such  
6           clinics.”.

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

“Sec. 7526A. Return preparation programs for applicable taxpayers.”.

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