

HB 4117 STAFF MEASURE SUMMARY

House Committee On Human Services

Prepared By: Iva Sokolovska, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3, 2/8

WHAT THE MEASURE DOES:

Establishes a grant program in the Department of Human Services to provide funding to culturally specific and responsive organizations, tribal governments and under-resourced rural community service organizations who help low-income residents with understanding and navigating the tax system. Appropriates \$4,000,000 to DHS for administration of grant program.

Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Addressing lack of use of available resources and increasing access to available programs for low-income individuals
- Providing for tax preparation assistance with grant based funding and volunteer work
- Time constraints on return preparation and language barriers

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Earned Income Tax Credit is a federal and state tax credit for people making up to \$57,414 a year and can give families up to \$6,728 back when they file taxes. The credit amount depends on income, marital status, and family size. In 2021, the credit is worth up to \$6,728. The credit amount rises with earned income until it reaches a maximum amount, then gradually phases out. Families with more children are eligible for higher credit amounts.

House Bill 4117 establishes a grant program to provide funding for culturally specific and responsive community-based organizations, tribal governments, and tribal communities assist low-income individuals with tax support and navigation resources.