

## HB 4117 STAFF MEASURE SUMMARY

### House Committee On Human Services

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**Action Date:** 02/08/22

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 7-0-0-0

**Yeas:** 7 - Nelson, Noble, Owens, Ruiz, Scharf, Schouten, Williams

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 2/3, 2/8

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#### WHAT THE MEASURE DOES:

Establishes a grant program administered by the Department of Human Services (DHS) to fund culturally specific and responsive organizations, tribal governments and under-resourced rural community service organizations that help eligible low-income persons to understand and navigate the tax system. Appropriates \$4,000,000 to the Department of Human Services (DHS) for this purpose. Takes effect 91st day following adjournment *sine die*.

#### ISSUES DISCUSSED:

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

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

The Earned Income Tax Credit (EITC) is a federal and state credit against personal income taxes for individuals who earn up to \$57,414 a year that can reduce a family's tax burden by up to \$6,728. The credit amount depends on income, marital status, and family size, and it increases 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 fund culturally specific and responsive community-based organizations, tribal governments, and tribal communities that assist low-income individuals with tax preparation support and navigation.