

BILL ANALYSIS

Senate Research Center

S.B. 1263
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Health & Human Services
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As Filed

DIGEST

Currently, the earned income tax credit (EITC) is a federal tax credit for working families who fall within certain income guidelines. To claim the EITC, eligible families must file appropriate forms. The vast majority of families claiming the refund do so when they file their federal income tax forms. According to the Texas Comptroller of Public Accounts, while the number of Texans claiming the EITC is rising, each year an unknown percentage of working families who qualify for the refunds do not participate because they are not aware of the program. This bill requires workforce development centers and the Texas Workforce Commission to provide information and assistance to individuals regarding the earned income tax credit.

PURPOSE

As proposed, S.B. 1263 requires workforce development centers and the Texas Workforce Commission to provide information and assistance to individuals regarding the earned income tax credit.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 2308G, Government Code, by adding Section 2308.314, as follows:

Sec. 2308.314. TAX ASSISTANCE. Requires a workforce development center (center) to provide to individuals who participate in a workforce development program information on the federal earned income credit for working families. Requires the center to assist participants in preparing and filing federal income tax forms to ensure that a participant who is eligible to receive the tax credit obtains the tax credit. Requires a center to work in conjunction with the Internal Revenue Service to make the center a volunteer income tax assistance site during the two months preceding the date federal income taxes are due. Requires certain employers to provide information on the federal earned income tax credit to certain employees and assist those employees in preparing and filing federal income tax forms to ensure the employees receive the tax credit if the employees are eligible to receive the tax credit. Defines "welfare recipient" and "work supplementation program."

SECTION 2. Amends Chapter 301D, Labor Code by adding Section 301.067, as follows:

Sec. 301.067. TAX ASSISTANCE; INFORMATION ON EARNED INCOME TAX CREDIT. Requires the Texas Workforce Commission (commission) to work in conjunction with the Internal Revenue Service to make certain offices of the commission volunteer income tax assistance sites during the two months preceding the date federal income taxes are due. Requires the commission, in conjunction with the comptroller's office, to use existing resources to distribute information and educational materials on the federal earned income tax credit provided by the comptroller to local workforce development boards and workforce assistance to persons who participate in workforce development programs.

SECTION 3. Emergency clause.

Effective date: upon passage.