

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1263
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Health & Human Services
4-10-97
Committee Report (Substituted)

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, C.S.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 the Texas Workforce Commission (commission) to provide to individuals who participate in a workforce development program information on the federal earned income credit for working families. Authorizes the commission 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. Authorizes the commission to fulfill its duties under this section by taking certain actions. Requires a workforce development center (center) to provide information on the federal earned income tax credit to an employer who hires a welfare recipient under a wage supplementation program. Authorizes the commission to provide information to any other person who uses services provided through the center. Defines "work supplementation program" and "welfare recipient."

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. Authorizes the commission to provide the information to any other person who uses the services provided through the commission.

SECTION 3. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 2308.314(a), Government Code, to strike "center" and substitute "commission;" incorporate Subsection (b); and to authorize the center to use specially trained staff or volunteers to assist in preparing and filing federal income tax forms.

Adds Section 2308.314(b), Government Code, regarding an employer who hires a welfare recipient.

Adds Section 2308.314(c), Government Code, regarding the distribution of information to individuals who use the services provided by the commission. Makes a nonsubstantive change. Deletes proposed Subsection (c).

Amends Section 2308.314(d), Government Code, to make a nonsubstantive change.

SECTION 2.

Adds Section 301.067(c), Labor Code, to make a conforming change.