

AMENDMENTS

2019—Subsec. (c)(6). Pub. L. 116-25 added par. (6).

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-25, title I, §1402(b), July 1, 2019, 133 Stat. 997, provided that: “The amendment made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 1, 2019].”

EFFECTIVE DATE

Pub. L. 105-206, title III, §3601(c), July 22, 1998, 112 Stat. 776, provided that: “The amendments made by this section [enacting this section] shall take effect on the date of the enactment of this Act [July 22, 1998].”

§ 7526A. Return preparation programs for applicable taxpayers

(a) Establishment of Volunteer Income Tax Assistance Matching Grant Program

The Secretary shall establish a Community Volunteer Income Tax Assistance Matching Grant Program under which the Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified return preparation programs assisting applicable taxpayers and members of underserved populations.

(b) Use of funds

(1) In general

Qualified return preparation programs may use grants received under this section for—

(A) ordinary and necessary costs associated with program operation in accordance with cost principles under the applicable Office of Management and Budget circular, including—

(i) wages or salaries of persons coordinating the activities of the program,

(ii) developing training materials, conducting training, and performing quality reviews of the returns prepared under the program,

(iii) equipment purchases, and

(iv) vehicle-related expenses associated with remote or rural tax preparation services,

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

(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

(2) Requirement of matching funds

A qualified return preparation program must provide matching funds on a dollar-for-dollar basis for all grants provided under this section. Matching funds may include—

(A) the salary (including fringe benefits) of individuals performing services for the program,

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

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

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

(c) Application

(1) In general

Each applicant for a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) Priority

In awarding grants under this section, the Secretary shall give priority to applications which demonstrate—

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

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

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

(3) Amounts taken into account

In determining matching grants under this section, the Secretary shall only take into account amounts provided by the qualified return preparation program for expenses described in subsection (b).

(d) Program adherence

(1) In general

The Secretary shall establish procedures for, and shall conduct not less frequently than once every 5 calendar years during which a qualified return preparation program is operating under a grant under this section, periodic site visits—

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

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

(2) Additional requirements for grant recipients not meeting program adherence standards

In the case of any qualified return preparation program which—

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

(B) is subsequently determined—

(i) not to meet the program adherence standards described in paragraph (1)(B), or

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

such program shall not be eligible for any additional grants under this section unless such program provides sufficient documentation of corrective measures established to address any such deficiencies determined.

(e) Definitions

For purposes of this section—

(1) Qualified return preparation program

The term “qualified return preparation program” means any program—

(A) which provides assistance to individuals, not less than 90 percent of whom are applicable taxpayers, in preparing and filing Federal income tax returns,

(B) which is administered by a qualified entity,

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

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

(2) Qualified entity

(A) In general

The term “qualified entity” means any entity which—

- (i) is an eligible organization,
- (ii) is in compliance with Federal tax filing and payment requirements,
- (iii) is not debarred or suspended from Federal contracts, grants, or cooperative agreements, and
- (iv) agrees to provide documentation to substantiate any matching funds provided pursuant to the grant program under this section.

(B) Eligible organization

The term “eligible organization” means—

- (i) an institution of higher education which is described in section 102 (other than subsection (a)(1)(C) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1002), as in effect on the date of the enactment of this section, and which has not been disqualified from participating in a program under title IV of such Act,
- (ii) an organization described in section 501(c) and exempt from tax under section 501(a),
- (iii) a local government agency, including—
 - (I) a county or municipal government agency, and
 - (II) an Indian tribe, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)), including any tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), tribal subsidiary, subdivision, or other wholly owned tribal entity,
- (iv) a local, State, regional, or national coalition (with one lead organization which meets the eligibility requirements of clause (i), (ii), or (iii) acting as the applicant organization), or
- (v) in the case of applicable taxpayers and members of underserved populations with respect to which no organizations described in the preceding clauses are available—
 - (I) a State government agency, or
 - (II) an office providing Cooperative Extension services (as established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914).

(3) Applicable taxpayers

The term “applicable taxpayer” means a taxpayer whose income for the taxable year does not exceed an amount equal to the com-

pleted phaseout amount under section 32(b) for a married couple filing a joint return with three or more qualifying children, as determined in a revenue procedure or other published guidance.

(4) Underserved population

The term “underserved population” includes populations of persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, members of the Armed Forces and their spouses, and the elderly.

(f) Special rules and limitations

(1) Duration of grants

Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

(2) Aggregate limitation

Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than \$30 million per fiscal year (exclusive of costs of administering the program) to grants under this section.

(g) Promotion of programs

(1) In general

The Secretary shall promote tax preparation through qualified return preparation programs through the use of mass communications and other means.

(2) Provision of information regarding qualified return preparation programs

The Secretary may provide taxpayers information regarding qualified return preparation programs receiving grants under this section.

(3) Referrals to low-income taxpayer clinics

Qualified return preparation programs receiving a grant under this section are encouraged, in appropriate cases, to—

- (A) advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from qualified low-income taxpayer clinics receiving funding under section 7526, and
- (B) provide information regarding the location of, and contact information for, such clinics.

(Added Pub. L. 116-25, title I, §1401(a), July 1, 2019, 133 Stat. 993.)

REFERENCES IN TEXT

The Higher Education Act of 1965 and such Act, referred to in subsec. (e)(2)(B)(i), are Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219. Title IV of the Act is classified generally to subchapter IV (§1070 et seq.) of chapter 28 of Title 20, Education. For complete classification of this Act to the Code, see section 1 of Pub. L. 89-329, set out as a Short Title note under section 1001 of Title 20 and Tables.

The date of the enactment of this section, referred to in subsec. (e)(2)(B)(i), is the date of enactment of Pub. L. 116-25, which was approved July 1, 2019.

The Smith-Lever Act, referred to in subsec. (e)(2)(B)(v)(II), is act May 8, 1914, ch. 79, 38 Stat. 372, which is classified generally to subchapter IV (§341 et seq.) of chapter 13 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 341 of Title 7 and Tables.

§ 7527. Advance payment of credit for health insurance costs of eligible individuals

(a) General rule

Not later than the date that is 1 year after the date of the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015, the Secretary shall establish a program for making payments on behalf of certified individuals to providers of qualified health insurance (as defined in section 35(e)) for such individuals.

(b) Limitation on advance payments during any taxable year

The Secretary may make payments under subsection (a) only to the extent that the total amount of such payments made on behalf of any individual during the taxable year does not exceed 72.5 percent of the amount paid by the taxpayer for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months beginning in the taxable year.

(c) Certified individual

For purposes of this section, the term “certified individual” means any individual for whom a qualified health insurance costs credit eligibility certificate is in effect.

(d) Qualified health insurance costs eligibility certificate

(1) In general

For purposes of this section, the term “qualified health insurance costs eligibility certificate” means any written statement that an individual is an eligible individual (as defined in section 35(c)) if such statement provides such information as the Secretary may require for purposes of this section and—

(A) in the case of an eligible TAA recipient (as defined in section 35(c)(2)) or an eligible alternative TAA recipient (as defined in section 35(c)(3)), is certified by the Secretary of Labor (or by any other person or entity designated by the Secretary), or

(B) in the case of an eligible PBGC pension recipient (as defined in section 35(c)(4)), is certified by the Pension Benefit Guaranty Corporation (or by any other person or entity designated by the Secretary).

(2) Inclusion of certain information

In the case of any statement described in paragraph (1), such statement shall not be treated as a qualified health insurance costs credit eligibility certificate unless such statement includes—

(A) the name, address, and telephone number of the State office or offices responsible for providing the individual with assistance with enrollment in qualified health insurance (as defined in section 35(e)),

(B) a list of the coverage options that are treated as qualified health insurance (as so defined) by the State in which the individual resides, and

(C) in the case of a TAA-eligible individual (as defined in section 4980B(f)(5)(C)(iv)(II)), a statement informing the individual that the individual has 63 days from the date that is 7 days after the date of the issuance of such

certificate to enroll in such insurance without a lapse in creditable coverage (as defined in section 9801(c)).

(e) Payment for premiums due prior to commencement of advance payments

(1) In general

The program established under subsection (a) shall provide that the Secretary shall make 1 or more retroactive payments on behalf of a certified individual in an aggregate amount equal to 72.5 percent of the premiums for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months (as defined in section 35(b)) occurring—

(A) after the date that is 1 year after the date of the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015; and

(B) prior to the first month for which an advance payment is made on behalf of such individual under subsection (a).

(2) Reduction of payment for amounts received under national emergency grants

The amount of any payment determined under paragraph (1) shall be reduced by the amount of any payment made to the taxpayer for the purchase of qualified health insurance under a national emergency grant pursuant to section 173(f) of the Workforce Investment Act of 1998 (as in effect on the day before the date of enactment of the Workforce Innovation and Opportunity Act) for a taxable year including the eligible coverage months described in paragraph (1).

(Added Pub. L. 107–210, div. A, title II, §202(a), Aug. 6, 2002, 116 Stat. 960; amended Pub. L. 111–5, div. B, title I, §§1899A(a)(2), 1899B(a), 1899H(a), Feb. 17, 2009, 123 Stat. 424, 430; Pub. L. 111–344, title I, §§111(b), 112(a), 118(a), Dec. 29, 2010, 124 Stat. 3615, 3616; Pub. L. 112–40, title II, §241(b)(2), Oct. 21, 2011, 125 Stat. 418; Pub. L. 113–128, title V, §512(r), July 22, 2014, 128 Stat. 1712; Pub. L. 114–27, title IV, §407(c), June 29, 2015, 129 Stat. 382.)

REFERENCES IN TEXT

The date of the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015, referred to in subssecs. (a) and (e)(1)(A), is the date of enactment of title IV of Pub. L. 114–27, which was approved June 29, 2015.

Section 173(f) of the Workforce Investment Act of 1998, referred to in subsec. (e)(2), was classified to former section 2918(f) of Title 29, Labor, prior to repeal by Pub. L. 113–128, title V, §§506, 511(a), July 22, 2014, 128 Stat. 1703, 1705, effective July 1, 2015.

The date of enactment of the Workforce Innovation and Opportunity Act, referred to in subsec. (e)(2), is the date of enactment of Pub. L. 113–128, which was approved July 22, 2014.

AMENDMENTS

2015—Subsec. (a). Pub. L. 114–27, §407(c)(1), substituted “the date that is 1 year after the date of the enactment of the Trade Adjustment Assistance Reauthorization Act of 2015” for “August 1, 2003”.

Subsec. (e)(1). Pub. L. 114–27, §407(c)(2), substituted “occurring—” for “occurring prior to the first month for which an advance payment is made on behalf of such individual under subsection (a).” and added subssecs. (A) and (B).