

BILL ANALYSIS

Senate Research Center
79R17942 KKA-F

C.S.H.B. 401
By: Villarreal (Averitt)
Jurisprudence
5/19/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The attorney general has the power to withhold the federal income tax refunds of Texans who owe past-due child support. Unfortunately, many child support obligors do not take advantage of federal tax credits, like the Earned Income Tax Credit, when filing their income tax. Therefore, the amount of the tax refund available to pay child support is diminished.

C.S.H.B. 401 seeks to maximize the amount of federal income tax refunds available to child support obligor's through collaboration with local volunteer income tax assistance programs (VITA) initiatives and a state-wide effort by the Office of the Attorney General to inform obligors of the availability of VITA services.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 231, Family Code, by adding Section 231.122, as follows:

Sec. 231.122. COOPERATION WITH VOLUNTEER INCOME TAX ASSISTANCE PROGRAMS. (a) Requires the Title IV-D agency, in order to maximize the amount of any tax refund to which an obligor may be entitled and which may be applied to child support and medical support obligations, to cooperate with volunteer income tax assistance programs in the state in informing obligors of the availability of the programs.

(b) Requires the Title IV-D agency to publicize the services of the volunteer income tax assistance programs by distributing printed materials regarding the programs and by placing information regarding the programs on the agency's Internet website.

(c) Provides that Title IV-D agency is not responsible for producing or paying the costs of producing the printed materials distributed in accordance with Subsection (b).

SECTION 2. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.087, as follows:

Sec. 531.087. DISTRIBUTION OF EARNED INCOME TAX CREDIT INFORMATION. (a) Requires the Health and Human Services Commission (commission) to ensure that educational materials relating to the federal earned income tax credit are provided in accordance with this section to each person receiving assistance or benefits under certain programs.

(b) Requires the commission, in accordance with Section 531.0317 (Health and Human Services Information Made Available Through the Internet), by mail or through the Internet, to provide a person described by Subsection (a) with access to certain publications, forms, and locations.

(c) Requires the commission or a representative of the commission, in January of each year, to mail to each person described by Subsection (a) information about the federal earned income tax credit that provides the person with referrals to the resources described by Subsection (b).

SECTION 3. Effective date: September 1, 2005.