

Subject Taxpayer assistance and tax outreach grants

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Summary

H.F. 4831 appropriates \$1,000,000 in fiscal year 2025 for taxpayer outreach grants, and \$750,000 for taxpayer assistance grants. These amounts are in addition to the amounts appropriated in the 2024 tax bill and state government finance bill, meaning the bill effectively doubles the appropriations for these two grant programs.

Taxpayer assistance grants are grants provided to nonprofit organizations to provide accounting and tax preparation services to low-income, elderly, and disadvantaged Minnesota residents. The services must be used to file state and federal taxes.

Tax credit outreach grants are a new program authorized in 2024. These grants may be distributed for taxpayer assistance, but they may also be distributed to nonprofit organizations or federally recognized Tribes to promote tax preferences for low-income Minnesotans. Organizations receiving outreach grants must have experience serving demographic groups or geographic areas with low rates of participation in tax programs targeting low-income Minnesotans.

The bill also codifies the program language governing these grant programs—in previous appropriations for these grants, the program language was uncodified language or an appropriations rider. Codifying the language does not change the substance of the programs, but it does establish a permanent requirement that the Department of Revenue make those grants.