

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS35250-MKa-143

Short Title: Expand Income Tax Assistance in NC. (Public)

Sponsors: Senators Crawford and deViere (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A GRANT PROGRAM AT NORTH CAROLINA COMMUNITY
3 COLLEGES TO EXPAND INCOME TAX ASSISTANCE IN THE STATE.

4 Whereas, it is estimated that 180,000 North Carolina filers are eligible for the Federal
5 Earned Income Tax Credit but do not claim the credit; and

6 Whereas, it is estimated that the average Earned Income Tax Credit is about \$2,400
7 per filer; and

8 Whereas, the Internal Revenue Service (IRS) provides a federal program, the
9 Volunteer Income Tax Assistance (VITA) program, for which grants are available. VITA
10 provides for individuals who make below a certain income threshold per year to get their taxes
11 done by an IRS certified individual for free, allowing them to take full advantage of every federal
12 tax credit and return more of North Carolina's hard-earned dollars to our citizens, putting more
13 money into our economy; and

14 Whereas, community colleges can provide work-based learning opportunities for
15 students; Now, therefore,

16 The General Assembly of North Carolina enacts:

17 **SECTION 1.** Program Established. – Within the funds appropriated in Section 4 of
18 this act, the State Board of Community Colleges shall establish a grant program for participating
19 community college campuses to offer courses to students to become tax preparers as part of the
20 Volunteer Income Tax Assistance (VITA) program and to facilitate providing VITA services to
21 all students on campus, as well as community members. The Internal Revenue Service (IRS)
22 offers free tax help through VITA to (i) people who generally make fifty-seven thousand dollars
23 (\$57,000) or less, (ii) persons with disabilities, and (iii) limited English-speaking taxpayers who
24 need assistance in preparing their own tax returns. The goal of the grant program shall be for
25 community colleges to provide work-based opportunities to students while facilitating access to
26 the VITA program for their local communities.

27 **SECTION 2.** Components of the Program. – In administering the grant program, the
28 State Board of Community Colleges shall require participating community colleges to do at least
29 the following:

30 (1) Offer the following courses to students interested in becoming certified as tax
31 preparers for the VITA program:

- 32 a. A fall curriculum course for the purposes of teaching basic tax
33 accounting and training students on the preparation of federal and
34 North Carolina tax returns. The course shall lead to the completion of
35 the IRS Link and Learn training to become certified as tax preparers
36 for the VITA program.



1 b. A spring work-based learning course where students commit to 15
2 hours per week from January through April 15 to prepare taxes.

3 (2) Designate a faculty champion to facilitate the program.

4 (3) Provide VITA services to be offered to all students on campus as well as
5 community members.

6 **SECTION 3.** Applications for Grants. – A community college shall apply for a grant
7 to the State Board with a plan to implement the VITA program on its campus with at least the
8 following information:

9 (1) A time line for implementing the curriculum and a recruitment of students to
10 become certified as VITA tax preparers.

11 (2) Options for paid work-based opportunities for students as part of the spring
12 curriculum. Students shall be provided hourly compensation for tax
13 preparation assistance during tax season as part of the program.

14 (3) Start-up and ongoing costs for personnel, including site coordinators and
15 quality reviewers, and budget for continuing costs for running the VITA
16 program.

17 **SECTION 4.(a)** Appropriation. – There is appropriated from the General Fund to
18 the Community Colleges System Office the sum of (i) seven hundred fifty-five thousand one
19 hundred dollars (\$755,100) in nonrecurring funds and five hundred seventy thousand one
20 hundred dollars (\$570,100) in recurring funds for the 2021-2022 fiscal year and (ii) five hundred
21 forty-nine thousand dollars (\$549,000) in nonrecurring funds for the 2022-2023 fiscal year to
22 implement the grant program in accordance with this act. The funds shall be used as follows with
23 any unexpended funds returned to the System Office:

24 (1) For the 2021-2022 fiscal year, the sum of seven hundred fifty-five thousand
25 one hundred dollars (\$755,100) in nonrecurring funds may be used for
26 creation of the curriculum, for bonuses of up to one thousand five hundred
27 dollars (\$1,500) per community college receiving a grant to support a faculty
28 champion on campus, to support hiring personnel for the VITA program, and
29 to establish work-based learning opportunities for students.

30 (2) For the 2022-2023 fiscal year, the sum of five hundred forty-nine thousand
31 dollars (\$549,000) may be used for bonuses of up to five hundred dollars
32 (\$500.00) per community college receiving a grant to support a faculty
33 champion on campus, to support hiring personnel for the VITA program, and
34 to establish work-based learning opportunities for students.

35 (3) For the 2021-2022 fiscal year and for subsequent fiscal years, five hundred
36 seventy thousand one hundred dollars (\$570,100) in recurring funds may be
37 used to support hiring personnel for the VITA program and to establish
38 work-based learning opportunities for students. The System Office may use
39 up to fifty thousand dollars (\$50,000) of the recurring funds appropriated for
40 the program each fiscal year for administrative costs associated with
41 administering the grant program.

42 **SECTION 4.(b)** There is appropriated from the General Fund to the Department of
43 Revenue the sum of fifty thousand dollars (\$50,000) in nonrecurring funds and one hundred
44 thousand dollars (\$100,000) in recurring funds for the 2021-2022 fiscal year to provide training
45 and technical assistance to community college campus personnel and students participating in
46 the grant program in accordance with this act. The Department of Revenue may use the funds
47 appropriated pursuant to this section to contract with a third-party vendor to provide technical
48 assistance and support for the program.

49 **SECTION 5.** This act becomes effective July 1, 2021.