

HOUSE BILL 1381

Q3, P1

6lr2604

By: **Delegates Platt, Hettleman, Korman, Lam, Moon, Patterson, Pena-Melnyk, Reznik, and P. Young**

Introduced and read first time: February 12, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Preparers – Grant Program – Free Application for Federal Student**
3 **Aid**

4 FOR the purpose of requiring the Maryland Higher Education Commission to establish a
5 certain grant program to encourage income tax preparers to prepare and file on
6 behalf of clients the Free Application for Federal Student Aid form; providing that
7 the program requires an income tax preparer to pay a certain fee; requiring that in
8 order to be eligible for the grant program the income tax preparer must prepare and
9 file certain forms on behalf of certain clients; requiring the Maryland Higher
10 Education Commission to administer the grant program; providing that a grant may
11 be used only to compensate an income tax preparer for certain costs; providing
12 funding for the program as provided in the State budget; providing for the
13 termination of this Act; and generally relating to a certain grant program for income
14 tax preparers.

15 BY adding to

16 Article – Tax – General

17 Section 10–111

18 Annotated Code of Maryland

19 (2010 Replacement Volume and 2015 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Tax – General**

23 **10–111.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) (1) THE MARYLAND HIGHER EDUCATION COMMISSION SHALL**
2 **ESTABLISH A GRANT PROGRAM TO ENCOURAGE INCOME TAX PREPARERS TO**
3 **PREPARE AND FILE, ON BEHALF OF A CLIENT, THE FREE APPLICATION FOR**
4 **FEDERAL STUDENT AID FORM.**

5 **(2) THE PROGRAM SHALL REQUIRE THE INCOME TAX PREPARER TO**
6 **PAY ANY FILING FEE APPLICABLE TO THE FREE APPLICATION FOR FEDERAL**
7 **STUDENT AID FORM.**

8 **(3) IN ORDER TO BE ELIGIBLE FOR A GRANT UNDER THIS SECTION**
9 **THE INCOME TAX PREPARER MUST PREPARE AND FILE THE FREE APPLICATION FOR**
10 **FEDERAL STUDENT AID FORM FOR A CLIENT THAT QUALIFIES FOR THE EARNED**
11 **INCOME TAX CREDIT UNDER § 10-704 OF THIS TITLE.**

12 **(B) (1) THE MARYLAND HIGHER EDUCATION COMMISSION SHALL**
13 **ESTABLISH:**

14 **(I) A GRANT APPLICATION PROCESS;**

15 **(II) THE AMOUNT OF EACH GRANT; AND**

16 **(III) VERIFICATION OF THE USE OF EACH GRANT.**

17 **(2) A GRANT SHALL BE USED TO COMPENSATE AN INCOME TAX**
18 **PREPARER FOR THE COSTS ASSOCIATED WITH FILING ON BEHALF OF A CLIENT THE**
19 **FREE APPLICATION FOR FEDERAL STUDENT AID FORM.**

20 **(C) FUNDS FOR THE PROGRAM SHALL BE AS PROVIDED IN THE STATE**
21 **BUDGET.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
23 1, 2016. It shall remain effective for a period of 2 years and 1 month and, at the end of June
24 30, 2018, with no further action required by the General Assembly, this Act shall be
25 abrogated and of no further force and effect.