

**DESCRIPTION OF H.R. 5438,  
A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO  
ALLOW OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF  
THE TREASURY TO PROVIDE TO TAXPAYERS INFORMATION  
REGARDING LOW-INCOME TAXPAYER CLINICS**

Scheduled for Markup  
by the  
HOUSE COMMITTEE ON WAYS AND MEANS  
on April 11, 2018

Prepared by the Staff  
of the  
JOINT COMMITTEE ON TAXATION



April 10, 2018  
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## INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup of H.R. 5438, a bill to amend the Internal Revenue Code of 1986 to allow officers and employees of the Department of the Treasury to provide to taxpayers information regarding low-income taxpayer clinics. This document,<sup>1</sup> prepared by the staff of the Joint Committee on Taxation, provides a description of the bill.

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 5438, A Bill to Amend the Internal Revenue Code of 1986 to Allow Officers and Employees of the Department of the Treasury to Provide to Taxpayers Information Regarding Low-Income Taxpayer Clinics* (JCX-19-18), April 10, 2018. This document can also be found on the Joint Committee on Taxation website at [www.jct.gov](http://www.jct.gov). All section references herein are to the Internal Revenue Code of 1986, as amended (herein “Code”), unless otherwise stated.

## **A. Provision of Information Regarding Low-Income Taxpayer Clinics**

### **Present Law**

The Code provides that the Secretary is authorized to provide up to \$6 million per year in matching grants to certain qualified low-income taxpayer clinics.<sup>2</sup> Eligible clinics are those that charge no more than a nominal fee to either represent low-income taxpayers in controversies with the IRS or provide tax information to individuals for whom English is a second language. No clinic can receive more than \$100,000 per year.

A qualified low-income taxpayer clinic includes (1) a clinical program at an accredited law, business, or accounting school, in which students represent low-income taxpayers, or (2) an organization exempt from tax under Code section 501(c) which either represents low-income taxpayers or provides referral to qualified representatives. A low-income taxpayer is an individual whose income does not exceed 250 percent of the poverty level, as determined in accordance with criteria established by the Director of the Office of Management and Budget.

The Department of the Treasury prohibits its officers and employees from referring taxpayers to qualified low-income taxpayer clinics for advice and assistance.

### **Description of Proposal**

The proposal allows officers and employees of the Department of the Treasury to advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from qualified low-income taxpayer clinics that receive funding under the Code, and to provide location and contact information for such clinics.

### **Effective Date**

The proposal is effective on the date of enactment.

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<sup>2</sup> Sec. 7526.

## **B. Estimated Revenue Effect of the Proposal**

The proposal is estimated to have no effect on Federal fiscal year budget receipts for the period 2018-2028.