



## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

### Low Income Taxpayer Clinic Grant Program; Availability of 2021

### Supplemental Grant Application Package

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice.

**SUMMARY:** This document contains a notice that the IRS has made available a supplemental grant opportunity in Grants.gov for organizations interested in applying for an 18-month Low Income Taxpayer Clinic (LITC) matching grant. The budget and the period of performance for the supplemental grant will be July 1, 2021- December 31, 2022. The application period runs from March 15, 2021, through April 16, 2021. Organizations currently receiving a grant for 2021 are not eligible to apply.

**DATES:** All supplemental applications for the 2021 grant year must be filed electronically by 11:59 p.m. (Eastern Time) on April 16, 2021. The IRS is authorized to award multi-year grants not to exceed three years. All organizations must use the funding number of TREAS-GRANTS-052021-002, and the Catalog of Federal Domestic Assistance program number is 21.008. See <https://beta.sam.gov/>. The LITC Program Office is scheduling a conference call to cover the application process the week of March 15, 2021.. See [www.irs.gov/advocate/low-income-taxpayer-clinics](http://www.irs.gov/advocate/low-income-taxpayer-clinics) for more details, including registration information.

**FOR FURTHER INFORMATION CONTACT:** Bill Beard at (949) 575-6200 (not a toll-free number) or by e-mail at [beard.william@irs.gov](mailto:beard.william@irs.gov). The LITC Program Office is located at: IRS, Taxpayer Advocate Service, LITC Grant

Program Administration Office, TA: LITC, 1111 Constitution Avenue, NW, Room 1034, Washington, D.C. 20224. Copies of the *2021 Grant Application Package and Guidelines*, IRS Publication 3319 (Rev. 5-2020), can be downloaded from the IRS internet site at [www.irs.gov/advocate](http://www.irs.gov/advocate) or ordered by calling the IRS Distribution Center toll-free at 1-800-829-3676. (Note, however, that the Distribution Center may be closed due to COVID-19. If so, the publication will only be available online.) A short video about the LITC program is available for your viewing on the IRS website.

## **SUPPLEMENTARY INFORMATION:**

### **Background**

Pursuant to Internal Revenue Code (IRC) section 7526, the IRS will annually award up to \$6,000,000 (unless otherwise provided by specific Congressional appropriation) to qualified organizations, subject to the limitations set forth in the statute. Grants may be awarded for the development, expansion, or continuation of low-income taxpayer clinics. For calendar year 2021, Congress appropriated a total of \$13,000,000 in federal funds for LITC matching grants. See Public Law No. 116-260, (H.R. 133, Consolidated Appropriations Act, 2021).

A qualified organization may receive a matching grant of up to \$100,000 per year. A qualified organization is one that represents low-income taxpayers in controversies with the IRS and informs individuals for whom English is a second language (ESL taxpayers) of their taxpayer rights and responsibilities, and does not charge more than a nominal fee for its services (except for reimbursement of actual costs incurred).

Examples of a qualified organization include (1) a clinical program at an accredited law, business, or accounting school whose students represent low-income taxpayers in tax controversies with the IRS and (2) an

organization exempt from tax under IRC section 501(a) whose employees and volunteers represent low-income taxpayers in controversies with the IRS and may also make referrals to qualified volunteers to provide representation. A clinic will be treated as representing low-income taxpayers in controversies with the IRS if at least 90 percent of the taxpayers represented by the clinic have incomes that do not exceed 250 percent of the federal poverty level, taking into account geographic location and family size. Federal poverty guidelines are published annually in the Federal Register. See, for example, 86 FR 7732 (Feb. 01, 2021).

In addition, the amount in controversy for the tax year to which the controversy relates generally cannot exceed the amount specified in IRC section 7463 (currently \$50,000) for eligibility for special small tax case procedures in the United States Tax Court. Grant funds may be awarded for start-up expenditures incurred by new clinics during the grant year. IRC section 7526(c)(5) requires dollar-for-dollar matching funds.

### **Mission Statement**

Low Income Taxpayer Clinics ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak English as a second language by providing *pro bono* representation on their behalf in tax disputes with the IRS, educating them about their rights and responsibilities as taxpayers, and identifying and advocating for issues that impact them.

### **Selection Consideration**

Despite the IRS's efforts to foster parity in availability and accessibility in the selection of organizations receiving LITC matching grants and the continued increase in clinic services nationwide, there remain communities that are underrepresented by clinics. Although each supplemental application for the 2021 grant year will be given due consideration, the IRS will give priority consideration to applications from the following underserved geographic areas and counties that have limited or no service:

Arizona- Gila

Florida- Brevard, Citrus, Flagler, Hernando, Lake, Orange, Putnam, Seminole, Sumter

Idaho- Ada, Adams, Bannock, Bear Lake, Bingham, Boise, Bonneville, Butte, Canyon, Caribou, Clark, Clearwater, Custer, Franklin, Freemont, Gem, Idaho, Jefferson, Latah, Lemhi, Lewis, Madison, Nex Perce, Oneida, Owyhee, Payette, Power, Teton, Washington, Valley

Nevada- Entire state

North Dakota- Entire state

Pennsylvania- Bradford, Clinton, Lycoming, Monroe, Northumberland, Pike, Snyder, Sullivan, Susquehanna, Tioga, Wyoming

Puerto Rico- Entire territory

West Virginia- Entire state

Wyoming- Entire state

In determining whether to award a grant, the IRS will consider a variety of factors, including: (1) the number of taxpayers who will be assisted by the organization, including the number of ESL taxpayers in that geographic area; (2) the existence of other LITCs assisting the same population of low-income and ESL taxpayers; (3) the quality of the program offered by

the organization, including the qualifications of its administrators and qualified representatives, and its record, if any, in providing representation services to low-income taxpayers; (4) the quality of the application, including the reasonableness of the proposed budget; (5) the organization's compliance with all federal tax obligations (filing and payment); (6) the organization's compliance with all federal nontax obligations (filing and payment); (7) whether debarment or suspension (see 31 CFR Part 19) applies or whether the organization is otherwise excluded from or ineligible for a federal award; and (8) alternative funding sources available to the organization, including amounts received from other grants and contributors and the endowment and resources of the institution sponsoring the organization.

Applications that pass the eligibility screening process will undergo a Technical Evaluation and must receive a minimum score to be considered further. Details regarding the scoring process can be found in Publication 3319. Applications achieving the minimum score will be subject to evaluation by the Program Office. The final funding decision is made by the National Taxpayer Advocate, unless recused. The costs of preparing and applying are the responsibility of each applicant. Applications may be released in response to Freedom of Information Act requests. Therefore, applicants must not include any individual taxpayer information. The LITC Program Office will notify each applicant in writing once funding decisions have been made.

An applicant that is selected for an 18-month grant will be required to submit an Interim Report by November 1, 2021, so that the LITC Program Office can assess the clinic's progress in meeting program goals during 2021.

**Bridget T. Roberts,**

Deputy National Taxpayer Advocate.

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