



Internal Revenue Service

Low Income Taxpayer Clinic Grant Program; Availability of 2024 Supplemental Grant Opportunity

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Solicitation of grant applications.

SUMMARY: This document contains a notice that the IRS has provided a supplemental grant opportunity in www.grants.gov for organizations interested in applying for a Low Income Taxpayer Clinic (LITC) matching grant. Supplemental grant funds may be awarded for start-up expenditures incurred by new clinics during 2024. The budget and the period of performance for the grant will be July 1, 2024 - December 31, 2024. The application period runs from February 26, 2024, through April 10, 2024. Organizations currently receiving a grant for 2024 are not eligible to apply for this supplemental grant opportunity.

DATES: All applications for funding pursuant to this supplemental funding notice must be filed electronically by 11:59 p.m. (eastern time) on April 10, 2024. All organizations must use the funding number of TREAS-GRANTS-052024-002, and the Catalog of Federal Domestic Assistance program number is 21.008, see www.sam.gov. The IRS is scheduling two optional webinars, where it will provide information about the LITC Program and the supplemental application process. Details on the dates and times of the webinars are available at www.taxpayeradvocate.irs.gov/about-us/litc-grants/. Note that the selection process for these part-year grants may not be complete before the beginning of the application period for the 2025 grant year; thus, applicants for a grant for the period July 1, 2024 – December 31, 2024, will be expected to

submit an application for full-year funding for the 2025 grant year during the 2025 grant application period when announced later this year.

FOR FURTHER INFORMATION CONTACT: Karen Tober at (202) 317-9590 or by e-mail at karen.tober@irs.gov. The IRS office that provides oversight of the LITC grant program is the LITC Program Office, located at: IRS, Taxpayer Advocate Service, LITC Program Office, TA:LITC, 1111 Constitution Avenue, NW, Room 1026, Washington, D.C. 20224. Copies of the IRS Publication 3319 (Rev. 5-2024), *2024 Grant Application Package and Guidelines*, can be downloaded at <https://www.taxpayeradvocate.irs.gov/about-us/litc-grants/> or ordered by calling the IRS Distribution Center toll-free at 1-800-829-3676. See <https://youtu.be/6kRrjN-DNYQ> for a short informational video about the LITC Program. Note: To assist organizations in applying for funding, the “Reminders and Tips for Completing Form 13424-M” available at <https://www.taxpayeradvocate.irs.gov/about-us/litc-grants> includes instructions for which questions an organization should complete if requesting funding only for the English as a second language (ESL) Education Pilot Program described in this notice.

SUPPLEMENTARY INFORMATION:

Background

Pursuant to 26 U.S.C. 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 in the statute. Grants are for the development, expansion, or continuation of an LITC.

For FY 2023, pursuant to the Consolidated Appropriations Act, 2023, Congress doubled both the overall LITC grant funding level from \$13 million in fiscal year (FY) 2022 to \$26 million and the maximum amount that may be awarded to any clinic from \$100,000 to \$200,000. See Public Law 117-328, Division E. For FY

2024, the IRS is currently operating under a Continuing Resolution that expires on March 8, 2024. The President's 2024 budget request includes a continuation of the overall LITC grant funding level at \$26 million and the increased funding cap of \$200,000 per clinic. Thus, the IRS remains hopeful that the funding will remain at \$26 million when an appropriation for FY 2024 is enacted, and that the increased per clinic cap of \$200,000 will also continue. Consequently, the IRS is allowing applicants to request up to \$200,000 for the 2024 supplemental grant period. The IRS will also continue the ESL Education Pilot Program that was rolled out as part of the February 2023 supplemental funding opportunity. See 88 FR 13864-13866 (March 6, 2023). If Congress ultimately does not continue the LITC Program's funding at \$26 million and/or the increased per-clinic funding cap of \$200,000, the IRS will adjust each supplemental grant recipient's award to reflect any limitations in the appropriation for FY 2024.

At least 90 percent of the taxpayers represented by the clinic must have incomes which do not exceed 250 percent of the Federal poverty level as determined under criteria established by the Department of Health and Human Services. See 89 FR 2961-63 (Jan. 17, 2024). In addition, the amount in controversy for the tax year to which the controversy relates generally cannot exceed the amount specified in Internal Revenue Code (IRC) section 7463 (\$50,000) for eligibility for special small tax case procedures in the United States Tax Court. IRC section 7526(c)(5) requires clinics to provide dollar-for-dollar matching funds, which may consist of funds from other non-Federal sources or contributions of volunteer time. See IRS Pub. 3319 for additional details.

Mission Statement

Low Income Taxpayer Clinics ensure the fairness and integrity of the tax system for taxpayers who are low-income or ESL 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 these taxpayers.

Expansion of the Type of Qualified Services an Organization Can Provide

IRC section 7526(b)(1)(A) authorizes the IRS to award grants to organizations that represent low-income taxpayers in controversies before the IRS and/or provide education to ESL taxpayers regarding their taxpayer rights and responsibilities.

To achieve maximum access to justice for low-income and ESL taxpayers, the IRS has expanded the eligibility criteria for a grant by removing the requirement for eligible organizations to provide direct controversy representation. In addition, pursuant to the new ESL Education Pilot Program started in 2023 and continuing for 2024, a supplemental grant may be awarded to an organization to operate a program to inform ESL taxpayers about their taxpayer rights and responsibilities under the IRC without the requirement to also provide tax controversy representation to low-income taxpayers. See IRS Pub. 3319 for examples of what constitutes a “clinic.”

Selection Consideration

Despite the IRS’s efforts to foster parity in availability and accessibility in choosing organizations receiving LITC matching grants and the continued increase in clinic services nationwide, there remain communities that are underserved by clinics. The states of Hawaii, Kansas, Nevada, North Dakota, South Dakota, and West Virginia, and the territory of Puerto Rico currently do not have an LITC. Although each application for the 2024 supplemental grant will be given due consideration, the IRS is especially interested in receiving applications from organizations providing services in these underserved geographic areas. For organizations that intend to refer low-income taxpayers in controversies with the IRS

to other qualified representatives rather than providing representation directly to low-income taxpayers, priority will be given to established organizations that can help provide coverage to underserved geographic areas. For the ESL Education Pilot Program, special consideration will be given to established organizations with existing community partnerships that can swiftly implement and deliver services to the target audiences.

As in prior years, the IRS will consider a variety of factors in determining whether to award a supplemental grant, 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 in providing services to low-income taxpayers; (4) the quality of the organization, 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 (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.

For programs where all or the majority of cases will be placed with volunteers, we will also consider the following: (1) the qualifications of the representatives (attorneys, certified public accountants, or enrolled agents) who have agreed to accept taxpayer case referrals from an LTC and provide representation or consultation services free of

charge; and (2) the ability of the organization to monitor referrals and ensure that the *pro bono* representatives are handling the cases properly, including taking timely case actions and ensuring services are offered for free.

The final funding decisions are made by the National Taxpayer Advocate, unless recused. The costs of preparing and applying for the grant are the responsibility of each applicant. Applications may be released in response to Freedom of Information Act requests after any necessary redactions are made. Therefore, applicants must not include any individual taxpayer information. The IRS will notify each applicant in writing once funding decisions have been made.

Erin Collins,

National Taxpayer Advocate.

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