



Internal Revenue Service

Low Income Taxpayer Clinic Grant Program; Availability of 2025 Grant Application Package

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Solicitation of grant applications.

SUMMARY: This document contains a notice that the IRS has provided a grant opportunity in www.grants.gov for organizations interested in applying for a Low Income Taxpayer Clinic (LITC) matching grant. The IRS is authorized to award multi-year LITC grants not to exceed three years. (Organizations currently participating in the LITC grant program that are submitting a Non-Competing Continuation Request for continued funding for 2025 must do so electronically at www.grantsolutions.gov). Grants may be awarded for the development, expansion, or continuation of programs providing qualified services to eligible taxpayers. Grant funds may be awarded for start-up expenditures incurred by new clinics during 2025. The budget and the period of performance for the grant will be January 1, 2025 - December 31, 2025. The application period runs from April 22, 2024, through June 12, 2024.

DATES: All applications and requests for continued funding for the 2025 grant year must be filed electronically by 11:59 p.m. (Eastern Time) on June 12, 2024. All organizations must use the funding number of TREAS-GRANTS-042025-001, and the Catalog of Federal Domestic Assistance program number is 21.008, see www.sam.gov. The IRS is scheduling two optional webinars, Session One on April 25, and Session Two on May 7, 2024, to cover the full application process. See www.irs.gov/advocate/low-income-taxpayer-clinics for complete details, including posted materials and any changes to the date and time.

FOR FURTHER INFORMATION CONTACT: Karen Tober at (202) 317-4700 (not a toll-free number) 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 Grant Program Administration Office, TA:LITC, 1111 Constitution Avenue, NW, Room 1034, Washington, D.C. 20224. Copies of the *2024 Grant Application Package and Guidelines*, IRS Publication 3319 (Rev. 5-2024), can be downloaded from the IRS internet site 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 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> will include 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. For FY 2024, Congress has provided overall LITC grant funding of \$28 million and has authorized funding of up to \$200,000 per clinic. The President’s FY 2025 budget request proposes an overall LITC grant funding level of \$26 million and a continuation of the \$200,000 per-clinic funding cap. In light of the President’s budget request and the uncertain timeline for final congressional action, the IRS will allow applicants to request up to \$200,000 for the 2025 grant year. The IRS will also continue the ESL Education Pilot Program that was rolled out as part of the February 2023 supplemental funding opportunity. If for FY 2025 Congress significantly reduces the overall LITC grant funding level or reduces the per-clinic

funding cap, the IRS will adjust each grant recipient's award to reflect any limitations in place at that time.

For an applicant proposing to provide tax controversy representation, at least 90 percent of the taxpayers represented by the clinic must have incomes which do not exceed 250 percent of the poverty level as determined under criteria established by the Director of the Office of Management and Budget. See 89 FR 2961-2963 (January 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 sources or contributions of volunteer time. See IRS Pub. 3319 for additional details. An applicant who is planning to operate a program to inform ESL taxpayers about their taxpayer rights and responsibilities must have either a volunteer or a staff member designated as a Qualified Tax Expert, generally an attorney, enrolled agent or certified public accountant, to review and approve all educational material.

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 low-income and ESL taxpayers.

Expansion of the Type of Qualified Services an Organization Can Provide through

Implementation of ESL Education Pilot

IRC section 7526(b)(1)(A) authorizes the IRS to award grants to organizations that represent low-income taxpayers in controversies before the IRS 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. Pursuant to the ESL Education Pilot Program started in 2023 and continued through 2025, a 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.” Applicants should note clearly on their applications their intent to apply for the Pilot Program and should carefully follow special instructions that will be supplied for completing the application for the Pilot Program.

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. In addition, two states – Florida and Montana – have only partial coverage. The uncovered counties in Florida are Citrus, Hamilton, Hernando, Lafayette, Madison, Nassau, St. Johns, Sumter, Suwannee, Taylor, Brevard, Lake, Orange, Osceola, Seminole, and Volusia. The uncovered counties in Montana are Blaine, Broadwater, Carbon, Carter, Custer, Daniels, Dawson, Deer Lodge, Fallon, Fergus, Flathead, Garfield, Golden Valley, Granite, Jefferson, Judith Basin, Lincoln, Madison, McCone, Mineral, Missoula, Musselshell, Petroleum, Phillips, Pondera, Powder River,

Powell, Prairie, Richland, Sanders, Sheridan, Stillwater, Sweet Grass, Toole, Treasure, Valley, Wheatland, and Wibaux.

Although each application for the 2025 grant year 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 involved 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 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 monetary 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 quality of the representatives (attorneys, certified public accountants, or enrolled agents who have agreed to accept taxpayer referrals from an LITC 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 or a nominal fee.

Applications and requests for continued funding that pass the eligibility screening process will then be subject to technical review. An organization submitting a request for continued funding for the second or third year of a multi-year grant will be required to submit an abbreviated Non-competing Continuation Request and will be subject to a streamlined screening process. Details regarding the scoring process can be found in Publication 3319. The final funding decisions are made by the National Taxpayer Advocate. The costs of preparing and applying 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.

[FR Doc. 2024-08615 Filed: 4/22/2024 8:45 am; Publication Date: 4/23/2024]