



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 13, 2018

### **H.R. 2901** **Volunteer Income Tax Assistance Permanence Act of 2017**

*As ordered reported by the House Committee on Ways and Means on April 11, 2018*

#### **SUMMARY**

H.R. 2901 would amend current law to permanently authorize the appropriation of up to \$30 million a year to the Internal Revenue Service (IRS) for grants through the Volunteer Income Tax Assistance Program (VITA). That program partners with organizations to provide free assistance for filing tax returns to underserved populations. Assuming appropriation of the maximum amount authorized, CBO estimates that implementing H.R. 2901 would cost \$150 million over the 2019-2023 period.

CBO and the staff of the Joint Committee on Taxation (JCT) estimates that enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO and JCT estimate that enacting H.R. 2901 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

CBO and JCT have reviewed H.R. 2901 and determined that it contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of H.R. 2901 is shown in the following table. The costs of the legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars						2019- 2023
	2018	2019	2020	2021	2022	2023	
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</b>							
Estimated Authorization Level	0	30	30	30	30	30	150
Estimated Outlays	0	30	30	30	30	30	150

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes H.R. 2901 will be enacted near the end of fiscal year 2018 and that the full authorized amounts will be appropriated each year.

H.R. 2901 would permanently authorize three-year matching grants to provide assistance to IRS-certified organizations that provide free tax return filing assistance to people with low income, people with disabilities, and other underserved populations. In 2018, \$15 million was provided for VITA. Based on historical spending patterns for such grants, CBO estimates that implementing the bill would cost \$150 million over the 2019-2023 period.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS**

CBO and JCT estimates that enacting H.R. 2901 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

## **MANDATES**

CBO and JCT have reviewed H.R. 2901 and determined that it contains no intergovernmental or private-sector mandates as defined in UMRA.

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