



# Grant to Provide Volunteer Taxpayer Assistance Services and Tax Credit Outreach

## Fiscal Year (FY) 2024-25 Grant Questions

### Fiscal Year 2024-2025 Grant Questions Received from the grant webinar on October 18, 2023

**Are occupancy costs (rent) and depreciation expenses eligible for the Grant to Provide Volunteer Taxpayer Assistance Services or the Tax Credit Outreach Grant?**

Yes. These are allowed expenses under either grant. You cannot, however, request reimbursement for these same expenses under both grants (i.e., double dipping).

**Will you send an invite and links to register for the required Minnesota income tax and property tax training webinars?**

Yes. Links to register will be on the [grant webpage](#), under Upcoming Webinars, once they are available. We will also send out an email invite once we have the registration links.

**If we received a grant award less than we requested in our proposal, do we need to submit a revised budget?**

Yes. You must send an updated budget proposal by October 31. You can find the FY24 Updated Budget Proposal on the [grant webpage](#), under Information and Forms for the Fiscal Year 2024-2025 RFP.

**For organizations receiving \$50,000 or more, are the site monitoring visits yearly or for the whole grant period?**

The visits are per fiscal year. We will conduct a grant monitoring visit to any organization with a grant award over \$50,000 each fiscal year.

**Are administration, human resources, fiscal, rent, and utility costs allowed expenses for one or both grants?**

Yes. These are allowed expenses under either grant. You cannot, however, request reimbursement for these same expenses under both grants (i.e., double dipping).

**Who is required to attend the required Minnesota tax training webinars?**

For Taxpayer Assistance grantees, one representative from your organization must attend a required Minnesota Individual Income Tax webinar and a required Minnesota Property Tax training webinar. A representative must

attend for each free tax preparation site you are receiving grant funding for. Tax Credit Outreach grantees are invited to attend if they would like, but it is not a requirement for them.

**Are grant monitoring visits required for new grantees?**

Yes. The Minnesota Department of Revenue will conduct a monitoring visit and financial reconciliation in person, by video conference, or by phone during each tax filing season for any of these:

- New grantees
- Organizations receiving advance payments
- Grantees receiving over \$50,000
- Other organizations randomly selected

We will send letters out in January notifying organizations who we've selected for a monitoring visit.

**For mileage reimbursement for volunteers, can we only charge 14 cents per mile to the grant? We pay our volunteers the IRS business rate and often use a different funding source for this because it's our understand that we cannot use the business rate for volunteers in this budget. Is this correct?**

Yes. Mileage reimbursement for volunteers is 14 cents per mile.

**Are Tax Credit Outreach grantees able to request mileage reimbursement? Can you clarify the Tax Credit Outreach grant period and reimbursement period?**

For the Tax Credit Outreach Grant, you can request mileage reimbursement only for employees.

The FY24 Tax Credit Outreach Grant period is October 1, 2023 (or when both parties sign the grant contract, whichever is later) through June 30, 2024. The FY25 grant period is October 1, 2024, through June 30, 2025. You can submit reimbursement requests when the progress report is due, when the final report is due, or by July 15 of each fiscal year. You can find these dates in the grant contract, the RFP, and on the grant webpage.

**Is the Child Tax Credit and Outreach Toolkit event on November 2 remote or in-person?**

It is a hybrid event. You can join in person or virtually. We sent an email to grantees on October 18, 2023, with the links to register.

**What is the best way to learn about any credits that we are less familiar with because our clients have not qualified for them in the past (e.g., the K-12 Education Credit)?**

You can learn more about the tax credits being promoted by the Tax Credit Outreach grantees by going to our [Promotional Materials page](#).

## **Fiscal Year 2024-2025 Grant Questions Received Between June 30 – July 14, 2024**

**Is the \$25,000 or more requirement for providing some additional financial information per year or in total for both years? For example, if \$15,000 is requested for both FY24 and FY25, has the threshold been exceeded? Also, is it per type of grant or combined if the applicant is applying under both grants?**

This requirement is per two-year grant period and per grant. If an organization requests \$15,000 for FY24 and \$15,000 for FY25, this would exceed the threshold.

**If an applicant files for both grants and is awarded an amount under both grants, may the funds be transferred between the two grants if situations change with program operation? For example, it was possible under prior Taxpayer Assistance grant contracts to move funds between category needs (e.g., advertising to equipment).**

Grant funds cannot be transferred from one grant to the other because they are separate appropriations. You are only allowed to move funds between expense categories under the same grant contract.

**Where can we get information on who has historically not taken advantage of the tax credits the Tax Credit Outreach grant is promoting? The Minnesota data you shared for 2019 provided utilization by county, but not by the groups targeted such as immigrant communities or certain demographic groups. Do you have any info by ZIP code?**

We do not have further information readily available before the Request for Proposals due date. We can work on providing more information at a later date that may help organizations refine promotional strategies.

**The TaxSlayer software does not provide “data mining” capability for Minnesota credits that would tell us what our current credit utilization might be. Does Revenue have any influence in generating such reports?**

No. You can, however, find the number of Working Family Credits claimed by county [on our website](#).

We also have estimates of the number of income tax filers who appear eligible for credits but do not claim them. Note that this information is imperfect, as it excludes potentially eligible nonfilers and may include taxpayers who are ineligible for these tax credits for reasons we cannot determine from income tax returns.

The new tax law changes include substantial revisions to eligibility for these credits. Here are some considerations to take when applying for the Tax Credit Outreach Grant:

- Review census data for the communities you intend to target
- Review the [Economic Status of Minnesotans 2023 Report](#) provided by the Minnesota State Demographic Center
- Taxpayers may amend some prior year returns to claim these credits
- We believe outreach will be effective in any area of the state

**Will Revenue be creating promotional flyers regarding the various credits, or does the grantee need to do that? Will you be translating these brochures in any languages?**

You are encouraged to create your own materials, but any resources we create will be available to all grantees. We will do our best to provide these resources as soon as possible, but they will likely not be available until later this fall.

The Tax Credit Outreach grant provides funds to create and print materials and to translate those materials into other languages. We will translate our materials into Spanish, Hmong, and Somali.

**We offer remote preparation of Forms M1PR after property tax statements are out and after the normal filing season has ended. We get permission during the filing of income tax returns to call clients, go over Form M1PR, and add property tax statements. For the site data sheets, how do we show the hours of working with the taxpayers? Can we list the hours of service based on an assumption of 30 minutes per Form M1PR prepared?**

For the site data tables, estimate the number of days and hours that your organization prepares returns during the off-season, and the typical time of year that the work is completed.

## **Questions from the grant webinar on June 21, 2023**

**If an organization does not offer taxpayer assistance services, do they qualify for this grant?**

Organizations may send proposals for two different grants.

The Taxpayer Assistance Grant is for providing volunteer taxpayer assistance (free tax preparation) to Minnesotans who are low-income, elderly, and disadvantaged.

The new Tax Credit Outreach Grant is for publicizing and promoting the availability of eligible tax credits, providing volunteer taxpayer assistance services, or both.

An organization may send proposals for one or both of these grants.

**Does the Department of Revenue have maps or data on regional tax credit participation rates?**

You can find the number of Working Family Credits claimed by county [on our website](#).

We also have estimates of the number of income tax filers who appear eligible for the credit but do not claim it. Note that this information is imperfect as it excludes potentially eligible nonfilers and may include taxpayers who are ineligible for these tax credits for reasons we cannot determine from their income tax return.

The new tax law changes include substantial revisions to eligibility for these credits. Here are some considerations to take when applying for the Tax Credit Outreach Grant:

- Review census data for the communities you intend to target
- Review the [Economic Status of Minnesotans 2023 Report](#) provided by the Minnesota State Demographic Center
- Taxpayers may amend some prior-year returns to claim these credits

- We believe outreach will be effective in any area of the state

**Do you have a source for identifying the population areas that are not claiming the tax credits?**

We compare the number of Working Family Credits to census data to help identify areas with low participation rates. Census data includes the whole population, so it allows us to identify areas with nonfilers who may be eligible for the credit.

Although there may be regional variations, we believe that most Minnesota households would benefit from these credits targeting low-income taxpayers who are not claiming them:

- Child Tax Credit
- Renter’s Income Tax Credit
- Working Family Credit
- Property Tax Refund
- K-12 Education Credit

**Will the Tax Credit Outreach Grant cover expenses of operating a free tax preparation site or just publicity and promotion of eligible tax credits?**

Funds from the Tax Credit Outreach Grant may cover providing volunteer taxpayer assistance services, publicizing and promoting the availability of eligible credits, or both.

**Can I apply for both grants?**

You could apply for both grants based on the services your organization is providing. You should only request the amount of grant funding that you need to provide these services. Do not request double by applying for the same funding under both grants.

**What funding is available compared to last year? How should we divide grant funding requests between two grants?**

\$700,000 was allocated to FY22 and \$750,000 was allocated to FY23 for the Taxpayer Assistance Grant.

\$750,000 is allocated to FY24 and \$750,000 is allocated for FY25 for the Taxpayer Assistance Grant.

The new Tax Credit Outreach Grant allocates \$1,000,000 to FY24 and \$1,000,000 to FY25.

You could apply for both grants based on the services your organization is providing. You should only request the amount of grant funding that you need to provide these services. Do not request double by applying for the same funding under both grants.

**Because we can only submit actual expenses under one grant, can we ask for similar expenses under both grants?**

You can apply for whichever grant you prefer, depending on the services your organization is providing. You should only request what you need. Do not apply for the same amount of funding under both grants, as you may

be awarded double the amount of funds you need to provide free tax preparation services or tax credit outreach.

**For the \$500 food limit, would employee meal expenses during travel count towards the \$500 limit?**

No. The \$500 food limit is only for volunteers. It does not apply to employee meals.

**Is grant funding allowed for staff to prepare or quality review returns that volunteers were not able to complete?**

No. We do not provide salary funding for preparing or reviewing tax returns by staff.

**Is the mileage reimbursement amount the same as the federal amount at that time or limited to the amount usually allowed for volunteers?**

Mileage reimbursement to volunteers is limited to the IRS's business standard mileage rate. Charitable organizations may reimburse a volunteer up to 14 cents per mile and an employee up to 65.5 cents per mile. When requesting mileage reimbursement, refer to the grant Request for Proposals and the [IRS Standard Mileage Rates webpage](#) for details.

**Requests for year 1 (FY24) expenses are due by the end of August 2024, which means we need to not conduct grant activities in August (to finalize reports by the deadline) and year 2 (FY25) does not start till October 1, 2024. Are grant activities not allowed in August or September of each year?**

For FY24, you must have spent grant funds between October 1, 2023 (or when the grant contract is fully executed), and August 31, 2024. Reimbursement requests are due August 31, 2024.

For FY25, you must have spent grant funds between October 1, 2024, and August 31, 2025. Reimbursement requests are due August 31, 2025.

Organizations may not spend grant money in September of each fiscal year.

**Is the K-12 Education Tax Credit one of the credits that is eligible for funding under the Tax Credit Outreach grant?**

Yes. The Tax Credit Outreach Grant allows funding to publicize and promote the availability of eligible credits to taxpayers likely to be eligible for those credits.

Eligible credit means a credit targeting low-income taxpayers, including but not limited to the credits under Minnesota Statutes, sections 290A, 290.0661, and 290.0693.

The credits include, but are not limited to:

- Child Tax Credit
- Renter's Income Tax Credit
- Working Family Credit
- Property Tax Refund
- K-12 Education Credit

**Is there a comprehensive list of eligible tax credits?**

Eligible credit means a credit targeting low-income taxpayers, including but not limited to the credits under Minnesota Statutes, sections 290A, 290.0661, and 290.0693.

Eligible credits include, but are not limited to:

- Child Tax Credit
- Renter’s Income Tax Credit
- Working Family Credit
- Property Tax Refund
- K-12 Education Credit

**Will multiple reviewers be able to see and update a single workbook?**

The grant workbook is a fillable PDF. If you save it to your computer, you should be able to share it with others.

**What advice would you give to an organization who is trying to start a free tax preparation site?**

Contact one of the Minnesota Department of Revenue’s Outreach Coordinators. They can help and consult with organizations who want to open a free tax preparation site in Minnesota and get them connected to an IRS Relationship Manager.

- Meiko Yang: [Meiko.Ma.Yang@state.mn.us](mailto:Meiko.Ma.Yang@state.mn.us)
- Denise Rivera: [Denise.Rivera@state.mn.us](mailto:Denise.Rivera@state.mn.us)
- Safiya Farah: [Safiya.Farah@state.mn.us](mailto:Safiya.Farah@state.mn.us)

**What is the range of grants awarded?**

Many factors go into the amount awarded. This includes the number of organizations applying, the amount of funds available, and the amount of funding each organization requests.

**Can you explain how the Tax Credit Outreach Grant differs from the Taxpayer Assistance Grant?**

The Tax Credit Outreach Grant is for funding for publicizing and promoting the availability of eligible credits to taxpayers likely to be eligible for those credits, providing taxpayer assistance services, or both.

The Taxpayer Assistance Grant is for providing volunteer taxpayer assistance services to Minnesotans who are low-income, elderly, and disadvantaged.

**Why is there a new Tax Credit Outreach Grant versus increasing the amount for the Taxpayer Assistance Grant?**

The new grant was passed and signed into law during Minnesota’s 2023 legislative session.

**How many Tax Credit Outreach grants do you anticipate awarding?**

Because this is a new grant, we do not know this information. We hope to award grant funds to as many eligible organizations as possible to help publicize and promote the availability of Minnesota tax credits.

**Do organizations come up with the dollar amount to ask for? Do we need to provide a detailed description of what we can do, and Revenue decides how much will be awarded?**

Each organization applying for grant funding will need to determine the dollar amount needed to provide volunteer taxpayer assistance services, publicize and promote the availability of eligible tax credits, or both.

You will need to detail the funds needed in your budget worksheet. You may or may not be awarded the full amount requested.

**Is there a minimum request amount for the grants?**

No.

**Do you know what kind of materials Revenue will be creating on each of the tax credit areas?**

You are encouraged to create your own materials, but any resources we create will be available to all grantees. We will do our best to provide these resources as soon as possible, but they will likely not be available until later this fall.

**Will Revenue provide promotional materials for the Tax Credit Outreach Grant? For example, should we request funds to print flyers, or will flyers be provided?**

We will do our best to provide promotional materials as soon as possible, but these will likely not be available until later this fall.

You can request Tax Credit Outreach Grant funds for advertising (including the cost of translation) and digital content (social media, videos, podcasts, infographics, etc.). This includes creating and printing flyers.