

CAA Volunteer Tax Assistance (VITA) Program

Recommendation

The Volunteer Income Tax Assistance (VITA) offers free tax preparation for anyone with annual income of less than \$54,000. With IRS certified volunteers, we take the pressure off individuals trying to negotiate the often complex tax laws that accompany even the most basic returns. And, we save Vermonters approximately \$661,931, the cost of paying for tax preparation services and falling victims to some preparers' predatory refund anticipation loans. Among the people we often serve are the elderly, disabled, and new Americans. We provide interpreters for those that have difficulty with English and sign language interpreters for the deaf. The volunteers are trained to find all Federal and State credits and deductions the taxpayer is entitled to, but often doesn't realize. They also process hundreds of renter rebates and property tax rebates through the Vermont Tax Department.

As with taxes, the numbers speak for themselves. In the FY 17, the Vermont Community Action Agencies completed 3,716 Federal returns and 4,373 State returns. The total refunds brought \$5,292,679 back into the local economy and helped to stabilize families with low incomes. In addition to the State and Federal returns, CAA agencies assisted households with Renter's Rebate applications and Homestead Declarations.

To ensure the program is funded adequately and to augment access to the free tax assistance statewide, an investment of \$100,000 by the State of Vermont would make a tremendous difference. This state investment would leverage the \$51,450 from the IRS in funding. The money is used for staffing to recruit, coordinate and train volunteers, to identify and establish multiple sites, to provide technical support to the volunteers, and to answer taxpayers on questions during and after tax season, along with expenses associated with marketing and reporting.

In addition, a coordinated campaign to raise the visibility of this program with financial institutions (especially those holding state deposits) would be very helpful along with Public service Announcements and a concerted effort by the State administration.



Volunteer Income Tax Assistance Program (VITA)

WHAT WE DO



IRS Certified volunteers provide free tax preparation for anyone with annual income of less than \$54,000 at sites around the state. We take the pressure off individuals trying to negotiate the often complex tax laws that accompany even the most basic returns. And, we save Vermonters the cost of paying for tax preparation services and falling victim to some preparers' predatory refund anticipation loans.

-- FY17 Outcomes --

\$5.2 Million!



Put \$5,292,679 back into the economy and helped to stabilize families with low income \$1,923,657 in EITC Savings



8,134 Returns

Vermont Community Action Agencies completed 3,761 Federal returns and 4,373 State returns. An estimated \$661,931 in tax preparation fees saved

In Addition....



Assisted households with Renter's Rebate applications and Homestead Declarations

WHO WE SERVE



Individuals with low and moderate incomes including:

- The elderly
- Individuals with disabilities
- New Americans

We provide interpreters for those that have difficulty with English and sign language interpreters for the deaf.

100%

ACCURACY RATE

VITA is proven to have the most accurate filing rate of any other tax preparer nationally

AUGMENTING STATEWIDE ACCESS

To ensure the program is funded adequately and to augment access to the free tax assistance statewide, an investment of \$100,000 by the State of Vermont would make a tremendous difference. This state investment would leverage the \$51,450 from the IRS in funding.

\$100,000 State of Vermont
=
\$51,450 IRS Funding

How Are

Funds Used?

The money is used for staffing to recruit, coordinate and train volunteers, to identify and establish multiple sites, to provide technical support to the volunteers, and to answer taxpayers on questions during and after tax season, along with expenses associated with marketing and reporting.

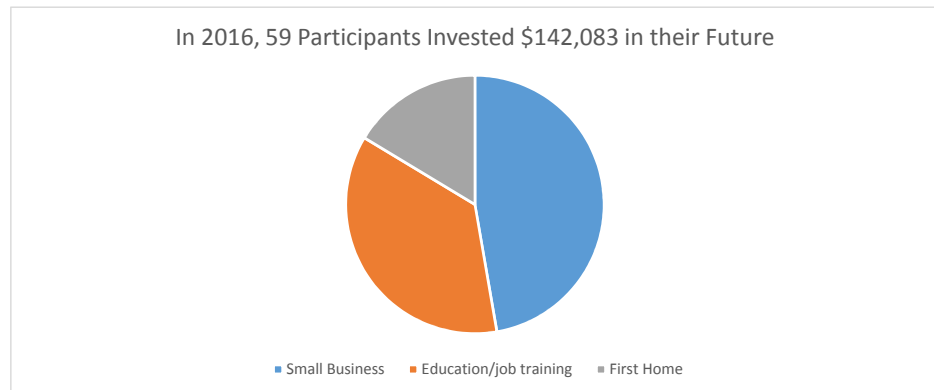
MICROBUSINESS DEVELOPMENT PROGRAM

State Fiscal Year (July 1 - June 30)	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
General Fund	\$ 314,600	\$ 398,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 298,870	\$ 373,590	
SNAP Employment & Training	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 68,100	\$ 85,125	
Total Funding Appropriation from Legislature	\$ 382,700	\$ 466,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 366,970	\$ 458,715	
Total # of Participants Served	1145	1171	864	735	780	771	727	854	7047
New Participants	602	509	448	419	489	379	311	349	3506
# Unemployed and obtained a job	68.5	58	56	41	61	48	29	34	395.5
# of new business Start-ups	81	90	75	56	57	68	69	61	557
# of new business Expansions	12	16	24	34	103	79	60	74	402
# of Jobs Created (FTE)	105.5	102	87.5	67.5	80.7	80.5	90	99.5	713.2
% of participants who started or expanded a business	8%	9%	11%	12%	21%	19%	18%	16%	13%
\$ of Capital Leveraged	\$ 1,046,181	\$ 855,135	\$ 873,353	\$ 745,938	\$ 1,420,594	\$ 680,641	\$ 1,272,007	1610541	\$ 8,504,390
3 Squares VT participants	n/a	n/a	n/a	418	359	232	294	unk	
Average MBDP GF Investment Per Job Created	\$ 2,982	\$ 3,910	\$ 3,416	\$ 4,428	\$ 3,703	\$ 3,713	\$ 3,321	\$ 3,755	\$ 3,619.48

VERMONT INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM

State Fiscal Year 2016 (July 1 - June 30)	\$135,300
# of participants with open accounts during the year	157
Total \$ amount of savings	\$39,248
# of new accounts opened	34
# of participants who increased their savings	83
% of participants who increased their savings	53%
# of participants who invested funds:	
Small Business	26
\$ (savings & match)	\$66,751
Education/job training	20
\$ (savings & match)	\$50,900
First Home	9
\$ (savings & match)	\$24,432
Total #	55
Total % of participants investing funds	35%
Total \$ (savings & match)	\$142,083

*Note: The Vermont IDA program is a multi-year program. Annual funding supports 35 new accounts each year and the ongoing administration of almost 200 accounts.



Since 2001	
low income Vermonters	979
Saved an average of	\$892
Savings were matched 2:1 to help them INVEST	\$2,615,545
First Homes	189
Businesses	556
College	234



State of Vermont
Department for Children and Families
Office of Economic Opportunity
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