

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.