

Volunteer Income Tax Assistance Program (VITA)

VT Community Action Partnership

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Background

CVOEO acts as the lead agency for a statewide Community Action VITA coalition; on behalf of this coalition, we submit an application to an IRS matching-funds grant for funding to support free tax preparation for lower income VT households. The matching-funds are provided via the value of volunteer hours.

This past tax season, 128 volunteers provided 4,560 hours of service, valued at \$102,691 (based on the VT median hourly wage for tax preparation, **\$22.52**, Bureau of Labor Statistics, updated as of May 2017).

The five Community Action Agencies have a long history of providing free tax preparation. CVOEO has operated a free tax preparation service since 1980. Capstone has offered their VITA program to clients since 1999. NEKCA has been coordinating and operating an IRS volunteer return preparation program since 1995, and SEVCA began offering free tax preparation for low income residents through the VITA program in 1994. BROCC has had an official VITA site since 2008.

The VITA program itself celebrated its 50th anniversary this year, or, as a recent plaque received by CVOEO from the IRS commemorates, “One tax season at a time since 1969”.

How This Works

The VITA grant does NOT provide funding to pay someone to prepare taxes; actual tax preparation must be done by volunteers. The Grant is primarily used to pay VITA Site Coordinators to recruit, train, coordinate and supervise the volunteers. The volunteers need to pass an open-book on-line test in order to be certified by the IRS as qualified tax preparers under the VITA program. VITA Site Coordinators, who must also pass this IRS certification process (at the Advanced level of certification) are the final eyes on completed tax returns before they are electronically submitted. 99% of all VITA returns are completed and submitted electronically. Both federal and VT state tax returns are completed.

Each Community Action Agency handles scheduling of tax clients slightly differently, based on the availability of their volunteers, access to the locations where taxes are prepared, etc. In Chittenden County, CVOEO contracts with VT 211 to schedule almost all of our tax appointments; our VITA Site Coordinator works with the volunteers, roughly half of whom are college students, to align their schedules, then creates a Google calendar, which the VT 211

staff fills in as they schedule appointments. VT 211 screens callers for basic VITA eligibility, sends reminder notices to clients of when their appointments are, and reminds them of the required paperwork they need to bring with them.

Interpretation services, as needed, are provided at the CVOEO Chittenden VITA site through either Refugee Resettlement or AALV, and both of those organizations actually work with us to schedule tax appointments for New American households. The Chittenden VITA site is the largest single VITA site in VT, completing 1,244 federal tax returns last year (27% of all VITA returns completed in the state). Other Community Action Agencies, who serve significantly fewer non-English speakers, work with local interpretation or telephone interpretation services.

FY 2019 Outcomes

- 14 VITA tax preparation sites across VT
- 99% of tax returns were e-filed
- 98% accuracy rate; the highest in IRS SPEC history (Stakeholder Partnerships, Education and Communication; SPEC provides guidance and oversight of the VITA program)
- 4,595 federal tax returns prepared, which includes 743 returns completed via MyFreeTaxes.com
- 4,538 state income tax returns prepared

\$461,735	Child Tax Credit
\$705,231	Additional Child Tax Credit
\$1,807,537	Earned Income Tax Credit
\$73,182	Education Credit
\$3,047,685	total tax credits
\$5,365,971	Refunds
\$8,413,656	in total refunds and credits

What the Outcomes do not show

In addition to providing assistance with federal and state income tax returns, the Community Action Agencies also help complete VT Homestead Declaration and Renter Rebate forms. These forms do not “count” to meet the minimum returns completed, as the VITA program is only concerned with federal income tax returns. Many of the households who need help completing these two state forms are on limited fixed income, Social Security or disability, and may not have any earned income to report. These are the only tax forms they need to complete, and Community Action Agencies help hundreds of these households every year.

The data itself also does not speak to the true service provided to VITA clients; in addition to actually helping prepare their tax forms, thereby saving these families hundreds of dollars each

in tax preparation fees, the Community Action Agencies display information on and facilitate referrals to their financial capability and education services; screen clients for participation in supportive services such as 3SVT, and schedule follow-up appointments for households who are not receiving those benefits and want help applying; and, by the very fact that the VITA sites are primarily run by Community Action Agencies, clients have access to staff who are familiar with fuel and utility resources, food shelves, and other services to help people meet their basic needs.

A special note of appreciation

This past tax season, the State of Vermont provided the five Community Action Agencies \$15,000 each as a VITA Expansion grant, supporting our free tax preparation efforts and encouraging the expansion and growth of these services.

These funds were extremely helpful, particularly for the NEKCA, which was struggling for the resources needed to revitalize their tax preparation program.

The funds were used to purchase new laptops, printers and scanners, as changing tax preparation software (mandated by the IRS grant; the software is called *Taxslayer*) and aging computers meant some agencies were losing the technical capacity to run their tax programs. Funds were also used to expand hours of service at some agencies, and to provide staff the opportunity to receive advanced tax training.

A second special note of appreciation

CEDO! As previously mentioned, the CVOEO Chittenden VITA site is the largest single VITA site in VT. In any given year, over half of the VITA participants are Burlington residents, and our ability to offer free tax preparation services to these residents is supported by the Burlington Community Economic Development Office.

More than “supported, actually, our services would simply not be as expansive (evening and weekend hours offered throughout the tax season) without CEDO’s support; we would not be able to serve as many people as we do.

Web links with Information on VITA services

<https://tax.vermont.gov/individuals/free-tax-preparation-assistance>

[Volunteer Income Tax Assistance \(VITA\) and Tax Counseling for the Elderly \(TCE\) programs](#)

<https://www.myfreetaxes.com/>

https://www.cvoeo.org/?fuseaction=dep_intro&dept_id=10