



Volunteer Income Tax Assistance-VITA

About VITA

The Volunteer Income Tax Assistance Program, known as VITA (Vye-Ta) is a national free tax preparation and filing program for low income families to file income taxes, access their Earned Income and Child Tax credits, apply for renter's credits, or file their property tax adjustment claims. Any person or family who makes \$57,000 or less can qualify for this free service. The Community Action Agencies around Vermont offer VITA programs in varying capacities due to limited funding from the IRS. Typically, the IRS funds between 5% and 25% of the total cost to run the program (\$3,000-\$30,000 per agency depending on the number of tax returns prepared in the previous season) and the hosting site cover the remaining costs with discretionary dollars. In Vermont, there is only one full time Program Coordinator who works year-round to address common tax problems related to rejected tax returns, advanced child tax, property tax adjustment issues, and complicated letters from the IRS.

VITA by the Numbers for 2021* Tax Season

*most recent numbers collected December 2021

- **9** sites operated by the Community Action Network
- **4174** tax returns e-filed by volunteers
- **247** Schedule Cs prepared for micro businesses
- **\$5,601,973** in tax refunds
- **\$1,173,243** in Earned Income Tax Credits back to our communities
- **\$768,432** in Child Tax Credits for our families
- **\$1,093,643** in Covid Recovery Credit
- **\$17,952** average Adjusted Gross Income
- **1720** tax filers age 60+

Call to Action

To file more than 8,000 returns for low-income Vermonters, the Vermont Community Action Partnership requests \$400,000 (valued at \$50 a return) to employ 5 full-time VITA Tax Coordinators (\$80,000 for salary, fringe, indirect, occupancy, technology) located at each of the 5 Community Action Agencies to provide year-round professional tax services to income eligible Vermonters.

In tax season 2021, the Community Action Partnership managed 9 statewide sites. While the program relies on volunteers to answer phones, schedule appointments, and prepare and file taxes, each agency requires a professional paid coordinator to recruit, train, schedule and supervise the volunteers. Additionally, there are paid site coordinators who manage other sites within an agency's VITA program. Over 200 volunteers are necessary to help run a successful VITA initiative in Vermont that reaches every corner of our state. Certain areas of the state, particularly the Northeast Kingdom and southwest Vermont, have been un-served or underserved due to lack of funding. With limited resources, we have been able to support only 1 full time program and 3 part time programs. ***With full funding, we could reach twice as many low income Vermonters, saving them a minimum of \$125 for a simple return prepared by a for-profit tax preparation firm.***



Volunteer Income Tax Assistance-VITA

VITA during the Covid-19 Pandemic

When the pandemic closed down businesses and schools in March 2020, our VITA program was in full swing. Rather than turn people down who were relying on our program to help them file their taxes and access their credits and refunds, we quickly transitioned to remote filing. When the IRS extended their deadline by two months, we extended our program. Thousands of Vermonters relied on our VITA program during a time of great uncertainty and we invested in our staff to provide tax support for the remainder of the calendar year. With the extra stimulus dollars, the Advanced Child Tax Credit, and unemployment insurance, our one full-time VITA program coordinator has been fielding calls and assisting clients who otherwise would have no advocate to help them navigate the complexities of the tax system. In 2022, as the pandemic continues to affect our lives, our VITA program continues to provide critical tax preparation services to individuals, families and small businesses (with simple Schedule Cs) to ensure they file on time and accurately. Every year there are changes to the tax codes, updates or changes to the tax preparation software, and extensive trainings required to manage a successful VITA program. And, after the tax filing deadline, there are hundreds more low-income Vermonters who filed extensions, missed the deadline, or received a confusing letter and need professional assistance to help them navigate the IRS. **By providing funding \$400,000 (\$80,000/agency) to support a full time VITA program coordinator in every Community Action Agency in Vermont, all income eligible Vermonters will have access to quality tax preparation and year-round tax guidance from an IRS certified and trained Program Coordinator.**

Real People, Real Stories

in 2020, at the start of the pandemic, Maureen was 90 years old and living on her own with no family nearby to assist her. When she received a check from the IRS for \$10,000, she knew something wasn't right so she reached out to her trusted VITA site for help. Laura Sudhoff, the state's only full time tax program coordinator available to assist Maureen, learned that someone had used Maureen's address to file taxes fraudulently. Laura helped her navigate the IRS, which included steps to protect her social security number and return the check. However, the story didn't end there. Maureen soon began to receive threatening letters from the IRS claiming that she owed them the \$10,000. The stress on Maureen, who had recently lost her husband, was clear to Laura who had by now spent several months helping Maureen with this problem. Laura knew it was time to take this to the next level and reached out to Vermont's Taxpayer Advocate to request additional assistance.

Fast forward two years and the problem has not been entirely resolved but the demand for payment letters from the IRS have finally stopped coming. Throughout this process Laura has been by Maureen's side, helping her navigate the complexities of the IRS. And, as the tax program is in full swing for 2022, Laura is currently helping Maureen find a resource to fix her handicapped accessible ramp that she uses to walk from her car to her front door. ***Laura and the tax program exemplify the Action in Community Action!***

Please support funding \$400,000 for 5 full-time VITA Program Coordinators, 1 at each of the 5 Community Action Agencies, so that more low income Vermonters like Maureen can count on assistance with their taxes year-round.