



VERMONT
COMMUNITY ACTION
PARTNERSHIP

To: House and Senate Committee on Appropriations
From: Vermont Community Action Program
Date: February 28, 2023
RE: Appropriations Request for Volunteer Income Tax Assistance (VITA) Program

The Vermont Community Action Partnership, representing Champlain Valley Office of Economic Opportunity (CVOEO), Capstone Community Action, BROCC Community Action, Southeast Vermont Community Action (SEVCA) and Northeast Kingdom Community Action (NEKCA), **are respectfully requesting \$525,000 in the State FY24 budget to support the statewide Volunteer Income Tax Assistance (VITA) program.**

For more than 30 years, the VCAP network has worked to help build ladders out of poverty for low- and moderate-income Vermonters. The Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are proven paths out of poverty, and the Vermont Income Tax Assistance (VITA) program works throughout the year and during tax season to ensure that all eligible Vermonters are aware of and have access to these credits through our IRS certified tax filing program.

In 2022 (tax year 2021) the VCAP network filed over 4000 tax returns for low-income families (average income was \$21,953) which resulted in the aggregate receipt of over \$6,000,000 in credits and refunds—money that goes back into the Vermont economy. Over 2000 returns included the EITC, and nearly 600 received the Expanded Child Tax Credit. Additionally, we helped thousands of Vermonters file their Homestead Declarations and Property Tax Adjustment forms, ensuring that they receive property tax relief. This work is accomplished with minimal staff and extensive trained volunteer network.

Last year the Vermont Legislature awarded \$400,000 in the SFY23 budget to the Treasurer's Office to support 5 full time Program Coordinators and part-time site coordinators to provide year-round tax assistance to low- and moderate-income Vermonters. This money has been transformational as it has allowed the Community Action Agencies to hire full time staff dedicated to building a volunteer network and to offer free tax filing to many more eligible Vermonters than in previous years. The investment significantly extended the VITA program in our most rural counties. **In order for the VCAP network to continue to build a robust VITA program, expand partnerships, and retain and build a volunteer base, we are requesting \$525,000 in base funding directed to the Treasurer's Office: \$100,000 per agency to support a full-time position and several part time seasonal positions, and an additional \$25,000 for CVOEO to administer the funding and subcontracts with the partner agencies.**

Funding the Community Action Agencies to support the VITA program is a tremendous return on investment. With a goal of 6,000 tax returns in 2023 as we build our VITA programs, the cost of a tax return averages \$66.00, far less than the \$200 or more a family would pay to have their tax returns filed by a for-profit firm. And as trusted Community leaders, CAAs provide wrap-around services to ensure that families have access to other poverty-alleviation services such as food shelves, housing counseling, financial and business coaching, Weatherization, Head Start Early Childcare, and more. **Your support of \$525,000 in the Treasurer's budget will enable our VITA programs to continue to build and provide tax services to thousands of more Vermonters.**

Thank you for your consideration of this important request.

Sincerely,

The Vermont Community Action Partnership Leadership Team: Sue Minter, Capstone Community Action; Paul Dragon, CVOEO; Tom Donahue, BROCC Community Action; Kevin Brennan, SEVCA; Jenna O'Farrell, NEKCA