



Strategies for Promoting Free Tax Filing Assistance

A basic goal for any Tax Credit Outreach Campaign is to get the word out to low-wage workers that they may qualify for significant tax benefits. But, the outreach job is not done until they file their tax returns and obtain the tax credits they've earned. That's why a critical element of a successful campaign is the effort to link workers with free tax filing assistance, through the IRS-sponsored Volunteer Income Tax Assistance (VITA) program. While VITA is the largest such program, people also use the AARP Tax Aide program or other separate free tax preparation programs.



Community Information and Referral (CIR), a nonprofit agency in Phoenix, Arizona, has coordinated an EIC hotline for eight years. From January through April 15, CIR Information Specialists provide information about the EIC, VITA site locations and hours of operation in both English and Spanish. The hotline is promoted through the Governor's office, CIR news releases, and the CIR website. In 2008, the EIC hotline responded to 11,000 calls.

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Strategies

Hotlines

Set up a hotline to publicize free tax assistance sites, precluding the need for tax filers to rely on the IRS toll-free number which is often busy during the height of tax season. A local hotline can provide callers basic information about eligibility rules and locations for nearby VITA site. In areas where large numbers of residents speak languages other than English, a local hotline with bilingual operators can be critical to an Outreach Campaign's ability to help workers claim the EIC and CTC.

- Link up with an existing information hotline, such as information and referral (I&R) services (commonly run by United Way agencies) that already receive calls from individuals likely to be eligible for the EIC and the CTC. Operators may be able to answer tax credit questions during tax filing season. The United Way of America coordinates a popular I&R service known as "2-1-1" which enables callers in forty-six states plus D.C. and Puerto to dial 2-1-1 to find information on local human services programs. Many local Tax Credit Outreach Campaigns now use "2-1-1" as their hotlines. Visit www.211.org to learn more.
- Help prepare for the extra volume of calls a hotline can expect to receive by contributing staff, volunteers or funds. Another possibility is to add tax credit information to Child Care Resource and Referral (CCRR) agency hotlines which help families in search of affordable child care. CCRR phone counselors can discuss tax credits with callers and point out that tax refunds can be used to cover the out-of-pocket costs of child care. Large employers may have companywide hotline services to assist employees with concerns about transportation, child care, and other needs. Adding tax credit information makes sense.
- Establish a new hotline by hiring an answering service or engaging

volunteers or a voicemail system. Top-notch tax credit hotlines operate seven days a week, 24 hours a day — or at least during some non-business hours — and have operators that speak languages other than English, where needed. Your hotline can help callers determine if they are likely to be eligible for the EIC and the CTC or it can simply refer them to VITA sites.

Strategies

Financial Institutions

Under the Community Reinvestment Act (CRA), financial institutions — including mainstream banks, community banks, credit unions and locally owned savings institutions — are evaluated on their efforts to help underserved neighborhoods gain access to credit and other financial services. Financial institutions have become enthusiastic Tax Credit Outreach Campaign partners and have helped tax filers open bank accounts and arrange for direct deposit of refunds.

- Encourage financial institutions to offer affordable bank accounts at free tax preparation sites and work with them to decide on favorable terms. For example, banks can waive or reduce monthly fees, minimum balances and penalties. A report from The National Community Tax Coalition (NCTC) explains desirable bank account features that can be negotiated with financial institutions to offer the most practical options for taxpayers. *Find “Financial Institution Partnership Guidelines” in NCTC’s Resource Library under the financial services section at www.tax-coalition.org.*
- Enlist banks or credit unions to provide free check-cashing for people who do not have bank accounts or are not interested in opening one. One Outreach Campaign partnered with a bank to issue “signature cards” to tax filers when they had their tax forms completed at a free tax filing site. When the taxpayer received his or her IRS check, a participating financial institution “redeemed” the card by cashing the refund check free of charge.
- Augment volunteer efforts by enlisting financial institutions to allow their employees to volunteer at a free tax site on company time. The Federal Deposit Insurance Corporation (FDIC) works with banks to organize such efforts. Contact your regional FDIC office to find out if there are financial institutions in your community that may be interested in becoming involved in your Outreach Campaign. *FDIC regional offices can be found at www.fdic.gov/about/contact/ask/regionaloffices.html.*

Technology and the Internet

On December 1, 2008, the Legal Aid Society of Orange County will launch a national EIC hotline, 1-888-4-EITC-4U. Callers will be able to receive information in English or Spanish about EIC eligibility and locations of free tax filing assistance sites according to their zip code. To make sure your program is included in the database, visit www.eicpartner.com or email Jeanette Valencia, jvalencia@legal-aid.com.

FACT:

At least 10 million U.S. households do not have a bank account and are “unbanked.” According to the Federal Reserve Board, more than 80% of the “unbanked” earn less than \$25,000 per year, making them potentially eligible for the EIC.

Strategies

Use of the Internet has opened up many Tax Credit Outreach Campaign opportunities, from presenting new channels for publicizing campaign activities to employing new screening tools to help tax filers understand how much they may be eligible to receive through the tax credits. Outreach Campaigns can link low-income workers with technology that can save time and paperwork. For example, with electronic filing, tax filers not only can get their refunds more quickly, but they also reduce errors.

- Let workers know how to obtain EIC and CTC tax forms at the IRS website, www.irs.gov/formspubs. You can also download key forms and post them to your own organization's website. The IRS website also provides information about eligibility for the EIC and CTC, including an on-line tool in English and Spanish for individuals to figure their own eligibility — search for “EITC Assistant” at www.irs.gov. Providing this information helps ensure that workers — especially those who choose to file their own returns — do so properly.
- Expand access to electronic filing (e-filing) at VITA sites by helping them obtain computer equipment. Local businesses that are upgrading their computers may be willing to donate their older models. The IRS can provide free software needed for e-filing. Talk to your IRS Territory Manager about the computer system requirements for this software. E-filing can improve VITA services, enabling filers to receive their refunds much faster than returns sent by mail and, because many minor errors on e-filed returns are caught before the return is accepted, corrections can be made averting refund delays.
- Post information about VITA sites on your website and send email announcements to your contacts or listserv to inform them about free tax preparation services. Be careful to monitor VITA site schedule changes during the filing season so that you can update information as needed.



The Denver Asset Building Coalition (DABC) in Colorado helps

residents by providing free tax preparation, financial education and financial services. To connect clients to checking and savings accounts, DABC partners with different banks so representatives can open accounts without service fees at its two VITA sites during the tax season. Through an intake questionnaire, DABC identifies clients with an interest in establishing a bank account.

Interested clients can meet with bankers while waiting to have their taxes prepared to set up the account in less than ten minutes. In 2008, DABC partnered with US Bank to open 121 bank accounts.

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- Reach out to “digital divide” programs. While the number of low-income households with access to the Internet is steadily increasing, low-income families still are much less likely than higher-income families to have regular Internet access. Programs to address this gap, known as the “digital divide,” provide such families education and access to computers, the Internet and other technologies. These programs may assist families in learning to e-file their taxes.

FACT:

According to a May 2008 survey by the Pew Internet & American Life Project, 53 percent of adults living in households with annual incomes of \$30,000 or less use the Internet.



Find It On the Web www.cbpp.org/eic2009

**More Outreach Strategies and Examples
2008 Earned Income Tax Credit Estimator**