

# CREDIT UNIONS



Using **Volunteer Income Tax Assistance – VITA** to serve the community



## WHAT IS VITA?

Volunteer Income Tax Assistance (VITA) is a program sponsored by the Internal Revenue Service (IRS) that provides free tax filing assistance using IRS-certified volunteers. The VITA program offers free tax help to individuals with low-to-moderate income, the elderly, and persons with disabilities or limited English proficiency. VITA also offers access to free tax preparation software for those who are able to prepare their own tax returns. The VITA program is administered by IRS Stakeholder Partnerships, Education and Communication (SPEC).

Local **credit union** VITA partners help their community in many ways:

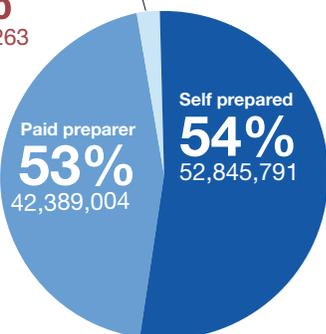
- Promote free tax preparation services to members and employees
- Encourage employees to volunteer to prepare tax returns at local volunteer sites
- Host a free tax preparation site
- Place a link to free tax preparation software on their website allowing members to prepare their own tax returns at no cost

## THE NEED FOR VITA IN YOUR COMMUNITY

Every year approximately 97 million low-income taxpayers file a tax return and many spend hundreds of dollars to have their returns prepared or to purchase tax preparation software. As the graph below indicates, a very small percentage of low-income taxpayers utilize free tax preparation services.

Volunteer Prepared  
**2%**  
2,023,263

2019 National  
Low Income  
Returns by  
Preparer Type



## HELP YOUR MEMBERS GET A BIGGER TAX REFUND WITH EITC

Through VITA, volunteers can make sure taxpayers receive all the credits for which they are eligible. For example, the Earned Income Tax Credit (EITC) is a credit for certain people who work and have earned income that meet the EITC income requirements. The EITC is a refundable tax credit, which means it reduces the amount of tax owed and even increase the refund.

Workers **must** file a tax return to get the EITC even if their income is below the filing requirement. To qualify, workers must have taxable income from wages or self-employment.

- EITC is one of the nation's largest anti-poverty programs. Approximately 25 million persons receive nearly \$63 billion in EITC refunds each year.
- Only 4 out of 5 people eligible for the credit claim it.
- EITC lifted an estimated 6.6 million people out of poverty; 3.3 million are children.

## QUALITY IS #1 FOR VITA

- Volunteers are certified in tax law
- Volunteers are provided tools and reference materials to ensure completion of an accurate tax return
- Volunteers have access to a toll-free number to assist with tax preparation
- Security, privacy and confidentiality are required for all taxpayer information

## TOP REASONS WHY CREDIT UNIONS SUPPORT VITA

- Helps the community receive the money it deserves
- Helps members save and build net worth
- Educates members on financial products and services
- Attracts new members
- Differentiates your credit union from other local financial institutions
- Puts tax refund dollars back into the community

## WHAT ROLE DO CREDIT UNIONS PLAY WITH VITA?

### Outreach

Help distribute VITA materials to members and networks – post a blurb about available VITA services in the credit union newsletter or include VITA information/services in monthly statements.

### Virtual Filing

Ideal for credit unions that cannot provide VITA services at their location. The credit union can partner with an existing free tax preparation site to offer VITA to its members. Usually this involves providing space where tax documents can be dropped off and secured before forwarding to the tax preparation site.

### Facilitated Self Assistance

These are free online, secure tax preparation websites where members answer simple questions, prepare and e-file their tax return.

### VITA

Host a free tax preparation site at your credit union for your members and others in the community.

**VITA is a great fit for credit unions, who often assist populations likely to qualify for valuable tax credits – low-income wage earners, limited English proficiency, aging populations and people with disabilities.**



**Join hundreds of credit unions already offering free income tax assistance to its members.**



## HOW DOES THE IRS SUPPORT VITA PARTNERS?



- Free tax preparation software
- Free training materials
- Free on-line tax law training
- Support from an IRS relationship manager
- Introduction to local VITA partners and coalitions

For further details about the VITA program and VITA sites in your area contact your local IRS SPEC manager at: [partner@irs.gov](mailto:partner@irs.gov)

Or access the following link for valuable information:  
[www.irs.gov/Individuals/Become-an-IRS-Partner-to-Help-in-Your-Community](http://www.irs.gov/Individuals/Become-an-IRS-Partner-to-Help-in-Your-Community)

## TESTIMONIALS

The following are testimonials from our current **Credit Union** partners:

*“Through VITA, we are able to provide a very impactful financial service to our membership. Our program has grown each year we have offered the service, and our IRS-SPEC relationship managers have been there to provide assistance and support every step of the way!”*

Tenesha Carter, SVP, State Employees’ Credit Union

*“Tempe Community Council says’ “THANK YOU” to IRS SPEC and Tempe Schools Credit Union for a 10 year partnership that brought \$13.5 million in federal refunds to the most vulnerable of our community. We look forward to the next 10 years!”*

Diane Bennett, Program Manager, Tempe Community Council

### Local Contact

Name:

Email:

Phone:

Address: