



FINANCIAL INSTITUTIONS

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



WHAT IS VITA?

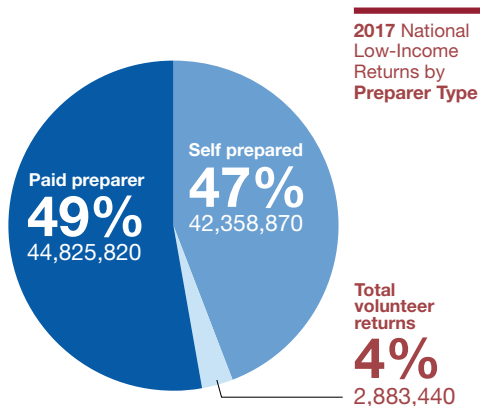
Volunteer Income Tax Assistance (VITA) is an Internal Revenue Service (IRS)-sponsored program that provides free tax filing assistance using IRS-certified volunteers. The VITA program offers free tax help to individuals with low-to-moderate income, persons with disabilities, elderly and limited English-speaking taxpayers. VITA also offers access to free tax preparation software for those who are able to prepare their own tax returns.

Local **financial institution** VITA partners help their community in many ways:

- Promote free tax preparation services to clients 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 clients to prepare their own tax returns at no cost

THE NEED FOR VITA IN YOUR COMMUNITY

Every year, approximately 90 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.



HELP YOUR CLIENTS 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 (EIC) is a credit for certain people who work and have earned income that meet the EIC income requirements. The EIC is a refundable tax credit, which means it reduces the amount of tax owed and may give a refund.

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

- EIC is one of the nation's largest anti-poverty programs. Approximately 25 million persons receive nearly \$60 billion in EIC refunds each year.
- 4 out of 5 people eligible for the credit claim it.
- EIC 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 FINANCIAL INSTITUTIONS SUPPORT VITA

- Helps clients save and build net worth
- Educates clients on financial products and services
- Attracts new clients
- Differentiates your financial institution from other local financial institutions
- Puts tax refund dollars back into the community

FINANCIAL EDUCATION & ASSET BUILDING

- Tax time provides unique opportunities to connect individuals and families to financial education and asset building (FEAB) programs.
- Debit cards & checking/savings accounts can be offered on-site to clients to provide faster, safer access to tax refunds.

WHAT ROLE DO FINANCIAL INSTITUTIONS PLAY WITH VITA?

Outreach

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

Virtual Filing

Ideal for financial institutions that cannot provide VITA services at their location. The financial institution can partner with an existing free tax preparation site to offer VITA to its clients. 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 free, online, secure tax-preparation websites where clients answer simple questions, prepare and e-file their tax return.

VITA

Host a free tax preparation site at your financial institution for your clients and others in the community.

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

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

VITA is a great fit for financial institutions, who often assist populations likely to qualify for valuable tax credits – low-income wage earners, limited English proficient and aging populations



TESTIMONIALS



Join hundreds of Financial Institutions already offering free income tax assistance to its members.

<https://www.irs.gov/individuals/become-an-irs-partner-to-help-in-your-community>

“VITA sites not only demonstrate the importance of bankers, volunteers and community clients working together. They also show how such an effort can benefit the parties involved. Through VITA sites, low-income workers receive needed tax assistance, lending institutions can strengthen their relationships with community clients and volunteers have the opportunity to directly help their communities by providing services and financial education to those who can benefit from them most”

Brad Bly, Community Affairs Senior Project Manager, Federal Reserve Bank of Minneapolis

Local Contact

Name:

Email:

Phone:

Address: