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MASSCAP and Community Action Agencies Launch Annual Volunteer Free Tax Preparation Program that Aids Low Income Families

Earned Income Tax Awareness Day · Celebrating 50 years of VITA

Cambridge, Mass. (January 31, 2020) – Today the Massachusetts Association for Community Action (MASSCAP) along with the [Cambridge Economic Opportunity Committee \(CEOC\)](#) and the [Community Action Agency of Somerville \(CAAS\)](#) were joined by Senator Sal DiDomenico, Representative Marjorie Decker, Cambridge Mayor Sumbul Siddiqui, Somerville Mayor Joseph Curtatone, and the Deputy Treasurer Alayna Van Tassel among others in kicking off this year’s tax season by launching the annual Volunteer Income Tax Assistance program (VITA) and celebrating 50 years of this critical program as well as recognizing the importance of accessing the Earned Income Tax Credit (EITC).

VITA is administered by Community Action Agencies (CAAs) annually and helps thousands of wage earners access millions of dollars in tax refunds, including the Earned Income Tax Credit (EITC). In Massachusetts, CAAs have helped more than 18,000 low income taxpayers benefit from more than \$33 million in tax refunds.

“The VITA program is an essential program that helps connect low income working families to those who can help them navigate the tax process,” said MASSCAP’s Executive Director Joe Diamond. “VITA sites not only offer free tax prep by IRS Certified volunteers who help them access the EITC and other tax credits, but also access to savings programs and other critical services. The volunteers are the heart and soul of this work and we thank them for their service.”

There are approximately 80 VITA sites operating across the state, run by Community Action Agencies and other community-based organizations and colleges. Together they serve more than 30,000 low income taxpayers, helping them to access over \$60 million in tax refunds. VITA sites are supported by state resources added to the state budget for the first time last year. Together with an allocation from the IRS, VITA sites receive public resources that cover about 1/3 of their operating costs.

“We are very grateful to Senator Diana DiZoglio and Representative Marjorie Decker for championing the VITA budget initiative and we look forward to working with them and their colleagues to bring more resources next year to support free tax preparation,” pointed out Diamond. He continued that the goal of the Healthy Families EITC Coalition (of which MASSCAP is an active member) is to bring the current state allocation to VITA sites from \$200,000 to \$800,000. In addition, legislation filed by State Representative Linda Campbell (15th Essex), State Senator James Welch (Hampden), Senator Diana DiZoglio (First Essex) and State Representative Marjorie Decker

(25th Middlesex) that would support Voluntary Income Tax Assistance sites and expand access to the Earned Income Tax Credit was heard before the legislature's taxation committee in September.

According to Senator DiZoglio, "Supporting free tax preparation for working families is critical to supporting the well-being of all of our residents. Volunteer Income Tax Assistance sites that are adequately resourced are able to help more individuals and families access the Earned Income Tax Credit, an effective program that not only helps people cover debts, pay bills and address housing, food and medical costs, but also brings resources back to communities, strengthening our economy and making it work for everyone."

The 2020 MASSCAP VITA program kickoff was held this morning in Cambridge at the Frisoli Youth Center. The MASSCAP VITA program supports 21 Community Action Agencies' VITA sites. It is underwritten by state resources and a core three-year grant from the US Internal Revenue Service which represents 10 to 20 percent of the resources needed to support VITA sites. It is also supported in part by the Department of Housing and Community Development (DHCD). Community Action Agencies also work with local private and public funders to support their free tax preparation work.

"It is important to stand here today and recognize that these VITA sites ensure that our lowest wage workers are getting the support they are entitled to," said Representative Marjorie Decker. "Sadly, for most people across the country, one job is not enough to care for a family. Accessing tax assistance, including the EITC, makes it so that every dollar our hard-working low-earners make comes back to their pockets – this means more food on the table and a crucial bit more security for a family."

The Earned Income Tax Credit has been called one of the most successful antipoverty programs. It bridges the wage gap – since the late 1970's wages have not kept up with productivity and many working people have trouble meeting their basic needs. The EITC, along with other tax credits, has been shown to improve infant health outcomes, employment rates of single mothers, child educational achievement, and future earnings. January 31 is also national Earned Income Tax Awareness Day.

A further benefit of the VITA program is that those who qualify save over \$4.5 million by not going to fee-for-service tax preparation sites. Volunteer tax preparers, many who already have professional tax and finance experience or are finance students from local colleges, are trained and certified by the IRS.

"The impact of the VITA program ripples throughout our community," stated Tina Alu, Executive Director, CEOC. "The money VITA clients are able to save by not going to fee-based tax chains and the tax credit they are able to benefit from not only improve their quality of life, but allow them to contribute to the local economy, which brings greater economic stability to our entire community."

"As a new VITA site in our second year of operation, we are thrilled to be able to provide these critical free tax services in Somerville," said David Gibbs, Executive Director, CAAS. "We continue to expand our program and reach more hardworking taxpayers each year."

The 23 Community Action Agencies across Massachusetts offer a wide range of services including Head Start, Fuel Assistance, and financial education. This integrated approach is very powerful and is a fundamental part of how CAAs help people stabilize their lives and move onto economic mobility.

"Community Action Agencies throughout the Commonwealth and beyond have developed innovative services to help meet our clients' needs," said Birgitta Damon, MASSCAP President and Executive Director, Lynn Economic Opportunity (LEO). "The volunteer tax assistance program is just one way that we help individuals overcome the structural barriers that exist to move people out of poverty."

For more information on VITA, please visit www.masscap.org/freetaxprep.

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