

WASHINGTON DC - Today, Rep Michael Honda (CA-17) introduced the Volunteer Income Tax Assistance (VITA) Act to provide needed assistance to the national network of community VITA sites, which serve as reliable, no-cost tax preparation services for America's workers. This program helps ensure that low-income individuals take advantage of existing ladders of opportunity, and federal support has a record of facilitating community VITA programs in reaching underserved taxpayers.

"Particularly in times of economic hardship, stretched budgets, and divided government," said US Congressman Michael Honda, "we need to ensure that the anti-poverty programs already in existence are operating to the best of their ability. Tax credits that promote work, send kids to college, and are proven ladders of opportunity are going underused. □ The VITA program helps millions of working families take advantage of programs Congress designed to help them, and I'm proud to fight to protect this critical assistance."

"The availability of VITA sites in our community," said □ United Way Silicon Valley President and CEO Carole Leigh Hutton, "is critical for helping families and individuals achieve financial stability. The free tax service helps many families get a substantial refund that significantly increases their income and it helps to bring millions of dollars back into the local economy."

Endorsed by the National Community Tax Coalition, the National Disability Institute, and United Way Worldwide

Each year millions of low- and moderate-income families rely on free assistance to prepare and file their federal tax returns. The Volunteer Income Tax Assistance (VITA) Grant program provides needed assistance to the national network of community VITA sites, which serve as reliable, no-cost tax preparation services for America's workers.

This program helps ensure that low-income individuals take advantage of existing ladders of opportunity, and federal support has a record of facilitating community VITA programs in reaching underserved taxpayers. This results millions more families accessing vital tax credits Congress enacted to help them, such as the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), and the American Opportunity Tax Credit (AOTC). During the 2012 filing season alone, thousands volunteers working at 5,700 Community VITA centers filed over 1.6 million tax returns and brought back \$2.2 billion in credits to working families.

Taxpayers, communities, and the federal government all benefit from a strong community VITA program. VITA centers ensure that taxpayers not only claim the benefits for which they are eligible, but beneficiaries are also exposed to a variety of financial literacy tools and savings strategies. VITA sites do more than help families with their taxes; they help them build assets for the future. Second, local economies and businesses benefit. Some estimates indicate that each dollar a household receives from EITC can generate as much as \$1.58 in local economic activity. Last year returns filed by VITA programs put more billions of dollars in the pockets of low- moderate-income taxpayers, which – in turn – are directly invested into the communities in which those taxpayers live and work. Finally, volunteer tax preparation programs save the IRS nearly \$5.5 million a year because 95 percent of filings are electronic, resulting in extremely low error rates. You can find the VITA centers operating in your district by visiting <http://irs.treasury.gov/freetaxprep/>

To continue this good work, Rep Honda reintroduced the VITA Act of 2013, H.R. 2151 from the 112th Congress, which would permanently authorize the Community Volunteer Income Tax Assistance Matching Grant Program, which has been funded through the annual appropriations process since Fiscal Year 2008. The bill authorizes \$30 million in matching grants to eligible Community VITA Programs to be used for program operation, taxpayer outreach, and related financial services. The legislation would also establish a National Center to Promote Quality, Excellence, and Evaluation in VITA with a \$5 million authorization to disseminate best practices, facilitate technical assistance, coordinate program outcomes, and ensure continuation of service to underserved taxpayers for the thousands of VITA sites operating nationwide. This legislation has been endorsed by the National Community Tax Coalition, the National Disability Institute, and United Way Worldwide.

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