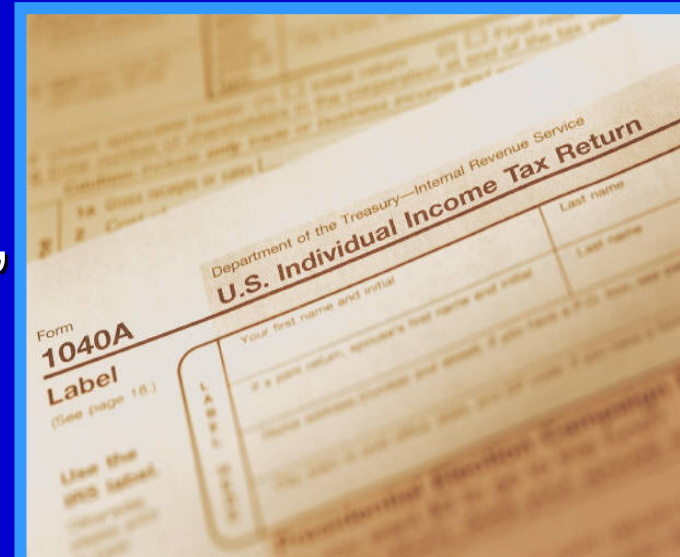




Urban Affairs Committee Briefing
Volunteer Income Tax Assistance
January 9, 2007

San Antonio Coalition for Family Economic Progress

- SA Coalition for Family Economic Progress is a five year old public-private partnership
- Initial focus centered on the Earned Income Tax Credit Campaign
- Expanded to include asset building and multi-benefit enrollment
- Coalition includes IRS, City, Our Lady of the Lake University, United Way, Catholic Charities, and Casey Foundation



Family Economic Success (FES) Strategies

Asset Building

Individual Development Account
(IDA)

Volunteer Income Tax Assistance
(VITA)

Low Income Tax Clinic &
ITIN Acceptance Agent

Financial Health and
Literacy Training

Asset Protection

Mortgage/Rental Assistance

Mortgage Rescue

Housing Counseling

Fair Housing Compliance



Vehicle Refinance/Purchase



VITA Results 2003 - 2007

	2003	2004	2005	2006	2007*
Coalition Results					
# of Coalition Sites	32	27	26	26	27
Total # of Returns	15,244	20,850	24,962	30,240	40,000
Total \$\$ Returned	\$21.8 mil	\$30 mil	\$39 mil	\$47 mil	\$62 mil
City Results					
# of City Sites	12	16	17	20	21
# of Returns	9,537	15,200	19,388	25,200	35,000
\$\$ Returned	\$12 mil	\$22.3 mil	\$30 mil	\$39 mil	\$54 mil

* Projected






San Antonio EITC and RALs

The need for VITA:

-  23% of eligible filers do not claim EITC, costing San Antonio families more than \$86 million
-  In 2004, of 170,000 low-income San Antonio households that received the Earned Income Tax Credit (EITC):
 - 68% used a paid tax preparer at an estimated cost of \$13.2 million
 - 49% used a Refund Anticipation Loan at an estimated cost of \$11.3 million

Earned Income Tax Credit Impact

The Return on Investment from VITA:


-  Approximately 170,000 San Antonio families received the EITC during 2004
-  Over \$300 million was returned to local residents
-  Average EITC for San Antonio families was \$1,800
-  Economic activity generated over \$299 million and supports over 5,100 jobs
-  Brought back \$2 million in additional sales tax revenue to the City

City “RAL” Ordinance

 Compels commercial tax preparers to comply with loan disclosure requirements:

- Explain alternatives to RAL to receive refund
- APR interest rate and associated fees
- Mandatory written disclosures in multiple languages
- Oral explanation of written disclosures
- Mandatory posting in a prominent location

 Establishes penalty of \$500 per infraction



 Approximately 70 paid tax preparers have inquired about the Ordinance since 12/15/06 information mailing

Alternative RAL & Un-banked Taxpayers

The need for Mainstream Financial Services

- ✓ San Antonio working families spent an estimated \$11.3 million on RALs in 2004
- ✓ An estimated 27% of VITA users do not have a mainstream banking relationship and use high cost/predatory financial services

Alternative RAL & Un-banked Taxpayers

-  DCI explored national best practices and opportunities with various local financial institutions
-  City Employees Credit Union has offered:
 - On-Site new account set-up for electronic tax refund
 - Alternative RAL (ARAL) with 0% interest

COSA Tax Assistance Year 'Round Tax Clinic

City expanded tax assistance to serve taxpayers beyond traditional VITA season:

- Correct and file prior year tax returns
- Mediate and resolve controversy with IRS
- Refer cases involving legal action to Texas Rural Legal Aid
- Since January 2005, more than 700 working families have filed prior year returns

Multi – Benefit Outreach

Connect Families to Resources



Asset building activities also include connecting families to multiple public benefits to help grow earnings into wealth and debt reduction



DCI, United Way and Food Bank will pilot an automated benefit screening program to check eligibility for:

- Federal Benefits
- State Benefits
- COSA Benefits

VITA Fact Sheet – TY 2006

 26 Coalition sites

 20 City sites

 1 Mobile team

 3 New sites










- Maverick Library
- Goodwill @ Eisenhower
- Goodwill @ Fredericksburg

 2 Closed sites

- Antioch (merged with Claude Black)
- Ferrari CFRLC

VITA Fact Sheet – TY 2006

Significant Dates

-  **1/24** Sites Open + Kickoff Press Conference
-  **2/1** National EITC Day. Press Conf w/ IRS
-  **2/1** Mayoral Proclamation
-  **2/10** Disabled EITC outreach event with Goodwill, SAILS, Lighthouse
-  **3/7** Mid-season press conference
-  **4/16** Last day to file return
-  **4/17** All sites close
-  **5/1** Preliminary VITA report
-  **6/1** Final VITA report