A Tax Season Like No Other

Navigating Tax Time & Financial Coaching

March 16, 2021
Housekeeping

• This Webinar is being recorded
• Copy of slide deck will be sent out with the record after the call
• All lines have been muted to reduce background noise
• We will take questions at the end but please write your questions into the chat box throughout the webinar
• Send any unanswered questions to your local program officer
Agenda

Introduction

Tax Policy (Lookback Provision & American Rescue Plan) – Jason Ewas, Senior Policy Manager – Commonwealth

Document Management & Digital Literacy – Melanie Reyes, FOC Director – Ironbound Community Corporation

Communication & Building Trust in the Community – Shaulonda Jones, Program Assistant – LISC Toledo

Q/A
Tax Policy
(Lookback Provision & American Rescue Plan)

Jason Ewas, Senior Policy Manager – Commonwealth
Commonwealth is a national nonprofit building financial security and opportunity for financially vulnerable people through innovation and partnerships.
American Rescue Plan Act of 2021

- What changes impact **this tax season**?
  - What do we know about implementation?

- What changes impact **next tax season**?
  - What do we know about implementation?
2020 Unemployment Threatens Tax Credits & Refunds

1. Unemployment insurance does not count as earned income

2. Unemployment insurance is taxable

Result: EITC and CTC at-risk, Refunds up to 80% smaller

EITC = Earned Income Tax Credit;  CTC = Child Tax Credit
Households Most at Risk

- With children
- Un / under-employed in 2020
- Expected to make up to $30K before pandemic
- Disproportionately Led by Women of Color

Millions of working households at risk for significantly reduced refunds
Congress Acts: Lookback Offers Relief

**Critical provision in 12/21/20 Stimulus Bill**

**Legislation**

“Lookback” provision: families may choose between 2019 & 2020 earned income for EITC & ACTC eligibility & amount

**Result**

Millions of families eligible for refunds similar to prior year…

But they must know about the lookback & how to to use it

**What’s Next?**

Families should:

1) Ask tax preparers about EITC / CTC lookback
2) Bring 2019 tax return to tax prep
Access Resources and Information

taxtimecrisis.org

Resources for Organizations

Resources for Tax Filers

commonwealth

NEIGHBORHOOD TRUST FINANCIAL PARTNERS

SaverLife
Did you earn less in 2020? You could qualify for a bigger tax refund!

If you do this one thing, you could get a bigger tax refund this year

Congress just approved a new ‘lookback rule’ which means you can use either your 2019 or 2020 income on your taxes to get the biggest refund possible this year.
Thank you

Jason Ewas, Senior Policy Manager
jewas@buildcommonwealth.org

www.taxtimecrisis.org

Visit our website: buildcommonwealth.org
Follow us on Twitter: @buildcommwealth
Document Management & Digital Literacy

Melanie Reyes, FOC Director – Ironbound Community Corporation
Communication & Building Trust in the Community

Shaulonda Jones, Program Assistant – LISC Toledo
Tax Season
2020
Volunteer Income Tax Assistance and Tax Counseling for the Elderly

Saving low-to-moderate income individuals tax preparation fees. Average cost is $175 (ranges from $100 to $450 depending on complexity of return)

IRS provides training materials for volunteers.

IRS provides grants to support VITA operations

- Hiring staff
- General operating costs like laptops and office supplies
- Marketing material for volunteer recruitment and program promotion
Minimum Certifications Required

- Volunteer Standards of Conduct Test
- Intake/Interview and Quality Review Test
- Basic Test

- These tests can all be found in pub 6744
- Pub 4012 and 4491 are resources that can be used to complete the testing
Communicating Changes

- Build trust/Be honest
- Social Media
- IRS Alerts
- Community Partners
- Email/Postal Mailings
- Websites
- Webinars/Phone calls

Communicating With Your Community

View more social media cartoons at www.socmedsean.com
Challenges to Outreach

1. COVID
2. Technology
3. Language Barriers
4. Education Level
5. Community Messaging
VITA and Financial Opportunity Centers

- Outreach opportunity for FOC to reach additional clients
  - Tax preparation site
    - Coaches are IRS certified to provide direct service
    - FOC services are shared with clients
    - Counseling is provided for refunds and/or amount due

- VITA impact on Toledo Region tax year 2019
  - 2,051 tax returns prepared
  - $2,739,694 in federal refunds received
  - Average direct savings to taxpayers $358,925
Questions?
thank you!