

# VITA REPORT TO ROTARY CLUB OF ANN ARBOR

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Robert Mull

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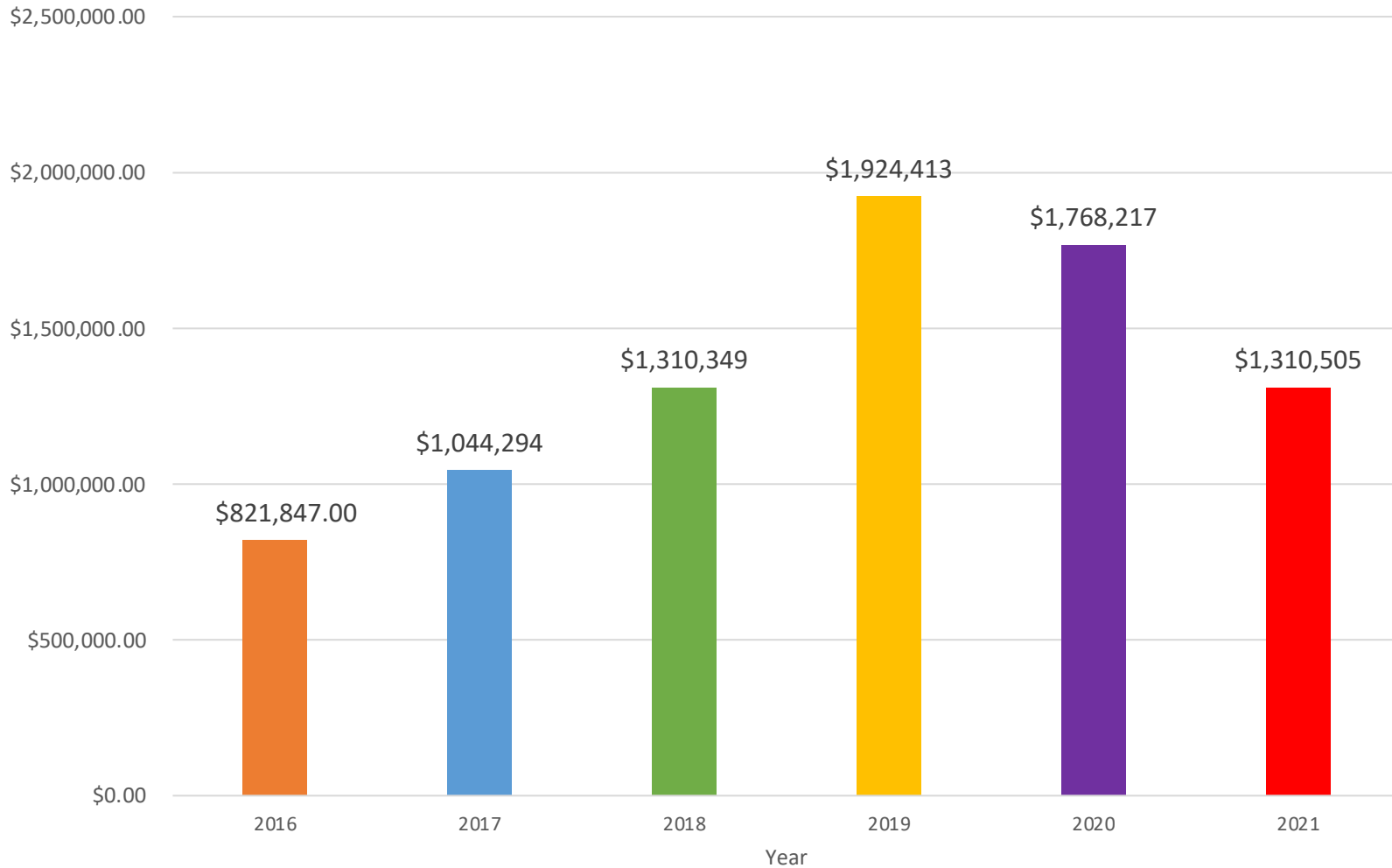
Emma Roeder

# 2021 VITA Season Results

- Volunteers: 49
- 535 returns completed by volunteers (610 total returns with MFT) down 19% from prior year.
- Entire VITA season was virtual, no face-to-face preparation. Virtual returns take much more time and effort to complete
- \$ 1,310,505 in refunds
- \$ 149,500 in avoided tax preparation fees

# 2021 SEASON VITA RESULTS

Total Dollars Returned to Washtenaw County from Tax Refunds and Credits



# Free Tax Services at UWWC

- Many of UW's VITA clients face multiple barriers preventing them from doing fully virtual tax preparation. They do not have reliable access to computers, scanners, and wifi, or may not have the knowledge to utilize them.
- Focused on providing Scan & Go service, which requires only a working phone (60% + estimated).
  - Scan & Go community partners included:
    - Ypsilanti District Libraries: Superior, Whittaker, and Michigan Ave
    - Community Resource Center (Manchester)
    - Aid in Milan
    - Housing Bureau for Seniors

# Tax Services Continued

- Fully Virtual VITA was also available.
  - Clients could fill out all forms and submit their documents from a computer, smartphone, or tablet.
  - Completed return was sent to them for signature and review via DocuSign.
- My Free Taxes
  - Free online tax prep software provided by UW Worldwide
  - Required a referral process this year, leading to a drop in users.
  - Changes in MFT led to a decrease in returns in 2020 as well.

# New This Year

- COVID related tax law changes had significant impacts throughout the season

## Pre Season Changes:

- No penalties for early IRA withdrawals
- Option to “lookback” to 2019 income if it yielded a higher Earned Income Credit and Child Credit
- Ability to claim stimulus payments if they hadn’t been received, or full amount was not received.
- Charitable Contributions as an adjustment to income.

## Mid Season Changes:

- March 2021 American Rescue Plan Passed
  - Excluded the first \$10,200 of unemployment compensation from being taxed. (refunds issued automatically starting in June)
- Most states, including Michigan, chose to forgive the same amount. (amended tax return likely must be filed to receive refund)
- Unfortunately, millions of tax returns had already been filed.
- VITA must now amend 70 tax returns

# VITA RETURN EXAMPLES

- To illustrate the importance of our tax system to the clients that use our VITA site, following is an actual tax return from this years Tax work at VITA.
- The names on the return have been changed to protect confidentiality.
- The return demonstrates the importance of the federal Earned Income Tax Credit and Child Credit.

# FEDERAL CREDITS EXAMPLE-JONES

- Mr. & Mrs. Jones have wage income of \$34,453 from multiple W2 statements. They have 4 children aged from 1 to 15. The children lived with their parents for the entire year. Parents and children are US citizens.

# FEDERAL CREDITS EXAMPLE- JONES

- Mr. & Mrs. Jones have ZERO federal income tax, meaning they do not pay taxes. BUT they do receive a \$ 4,711 earned income tax credit; a \$ 4,793 refundable child tax credit; all of withholding from their W2's of \$ 627, and \$1,100 of missed stimulus payments for their youngest child who was born in 2020 so not part of their 2019 tax return. The total federal tax refund is \$ 11,231.

## FEDERAL CREDITS EXAMPLE- JONES

- For Mr. & Mrs. Jones MI State Return, they received 6 % of the federal EITC or \$283, and a net \$1080 of the state withholding back, for a MI refund of \$ 1363., Total refunds were \$12,594.

# 2021 Participant Impact

- 98% of surveyed participants were satisfied with the services they received.
- 96% of surveyed participants would recommend our program to friends and family

" Thank you for all your help. You were very kind and handled my information with care. It gave me peace of mind knowing they would be doing my taxes with care."

"Thank you so much for doing this. I do not have internet so I've been coming to United Way for 3 years now so they can do it for me. Makes things much easier."

# **THANK YOU ROTARY FOR YOUR FINANCIAL AND VOLUNTEER SUPPORT**

- Bob Buchanan
- Karen Gladney
- Fred Beutler
- Robert Mull