



# All Things Ignatian



## Low Income Taxpayer Clinics Volunteer Income Tax Preparation

### The Situation –

- Low income taxpayers are entitled to an earned income tax credit (EITC, which is a refundable, negative income tax) of up to \$6,014 for 2013 tax returns
- Low income taxpayers have limited resources to pay for return preparation
- Some paid tax return preparers have provided short term (30 – 45 days) loans and prepaid debit cards using the EITC refunds as collateral
- Some of these loans result in interest rates over 100%
- The Winnebago and Macy, NE communities are especially vulnerable to these exorbitant loans
- Budget constraints on the IRS have forced the closing of its free walk-in clinic at 16<sup>th</sup> & Capitol – in 2013 over 2,000 people used this service



Volunteers interviewing clients in Winnebago

### The Response –

- The IRS VITA (Volunteer Income Tax Assistance) program coordinates free tax return preparation for low income taxpayers by volunteer preparers
- Volunteers pass several examinations and undergo training before they assist clients
- Creighton's Accounting Department has partnered with VITA for over 40 years
- Creighton accounting and law students, and alumni from accounting and law, have sponsored tax preparation clinics in Winnebago, NE the last 4 years
- Accounting students are required to participate in VITA as a course service learning component

- Partnerships were created with the IRS, local community organizations, the Heider College of Business, the Department of Accounting, Beta Alpha Psi, the Law School, and the Business Law Society

- In 2011 and 2012, over 75 clients were served by over 30 volunteers and refunds exceeding \$250,000 were generated
- In 2013, over 100 clients were served by over 50 volunteers and refunds exceeding \$500,000 were generated

### Recent Results at Clinics –

- Clinics were held in Winnebago starting in 2010, and are scheduled for 2014 in both Winnebago and Macy
- In 2013, clinics were held on campus for students and staff and for guests at Project Homeless Connect Omaha
- In 2010, 25 volunteers served over 40 clients by preparing returns with refunds exceeding \$150,000

### 2014 Clinics –

- Two clinics are scheduled in Winnebago and Macy – February 8 and 15
- To meet the needs of the Omaha community in response to the closing of the IRS walk-in site, three clinics are scheduled in the Harper Building – February 1 and 22 and March 2
- One additional clinic will be offered at Project Homeless Connect Omaha on March 28

### Ignatian Elements –

- Low income clients receive a valuable service at no cost
- Volunteers share their talents with low income people
- Students learn a different application of the charism of *cura personalis* and being for and with others

### The Spirit of Creighton –

- *Collaborative bridges* across academic units and with community groups
- Reinforcing *resilience* in attitude in the low-income clients served
- *Generous* sharing of professional knowledge for the betterment of society
- *Healing* the wounds of economic challenges



Volunteers assisting clients with tax returns in Winnebago

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