

Hawai'i Tax Help and Asset Building News



Volume 1, Issue 1 – Fall 2006

*Hawaii's New Coordinated
Effort and Information
on the Earned Income Tax Credit,
Free Tax Assistance and
Related Volunteer Opportunities.*

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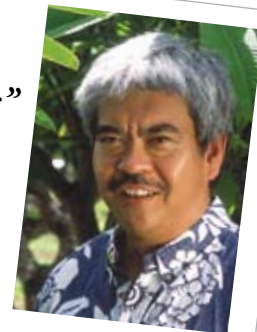


Earn It. Claim It. Save It.

The Family Self-Sufficiency Program
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200 North Vineyard Blvd, Suite 700
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"How the EITC Helps Hawaii's Homeless"

A Message from Wayne Tanna, J.D., LL.M.



I have witnessed the benefits of the federal Earned Income Tax Credit ("EITC") for many families that successfully transitioned off welfare and out of homelessness into the workplace and market-priced rental housing. The EITC benefits very-low-wage workers by decreasing the amount of income taxes they must pay. It provides an incentive to work and rewards low-income earners, rather than penalizing or demoralizing them.

The EITC is one of the few features of the tax code that focus on the working poor instead of the already rich. The EITC lifts more children out of poverty than any other government program. Some 4.8 million people, including 2.6 million children, are removed from poverty as a result of the EITC. The EITC also has been proven effective in encouraging work among welfare recipients; studies show it has a large impact in inducing more single mothers to work. With an estimated 30% of Hawaii's families living below the State's threshold for self-sufficiency, EITC funds can mean the difference between homelessness and survival.

Income inequality is an economic and social ill and you can do something about it. Please support our efforts this year and get involved anyway you can. You will make the difference. As anthropologist Margaret Mead said, "Never, never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it is the only thing that ever has."

Wayne Tanna
Wayne Tanna, J.D., LL.M.
Professor of Accounting, Chaminade University
FSSP-AUW/HABC Volunteer Tax Preparer and Trainer

DO GOOD. FEEL GOOD. BE A VOLUNTEER.

Benefits to Organizations Promoting Self-Sufficiency

By participating in this Program and helping to spread the word about the Earned Income Tax Credit and free tax assistance sites, organizations that provide services to low income taxpayers will be providing their clients with an additional service that will help them to take another step towards a better future, and will be complementing the mission and objectives of their organizations. Participating organizations are able to receive free outreach materials, utilize free tax assistance sites for their own outreach purposes, and can be listed on and linked to the Program's website – hawaiiitaxhelp.org For more information, please call the FSSP Coordinator at 808.543.2201.

What Is the Family Self-Sufficiency Program at Aloha United Way?

In 2005, Aloha United Way received a grant-in-aid from the State of Hawaii to establish a Family Self-Sufficiency Program that would **(1)** coordinate the Earned Income Tax Credit (EITC) and related asset-building initiatives, **(2)** expand free tax preparation operations by increasing the number and/or capacity of free tax assistance sites, **(3)** coordinate and support the efforts of community organizations, government agencies, and volunteers involved in this effort, and **(4)** develop and implement a comprehensive EITC public outreach and awareness program that targets EITC-eligible residents and working immigrants who failed to claim the EITC and other available tax credits in the previous tax year.

During the 2006 tax season (for Tax Year 2005), the Family Self-Sufficiency Program at Aloha United Way, working together with various coalitions, organizations, and agencies, was able to successfully meet its initial goals. Some of the accomplishments of the Program include:

- A press conference and kick-off event at a new tax assistance site established at Goodwill Industries' Beretania location that received front page coverage in the Honolulu Advertiser and extensive exposure on KHON and KHNL television news programs.
- Designing and printing flyers and posters in several languages which contain information regarding the EITC and which promote the use of 2-1-1 as the primary source of information.
- Distributing over 12,800 flyers and posters to various agencies and organizations that provide services to low-income individuals and families on several islands.
- Arranging to have information about the EITC, free tax assistance, and 2-1-1 placed in the Kalihi Weed & Seed Newsletter, which was distributed to 8,118 residents and businesses in the Kalihi area of Oahu.
- Providing computers (donated by Bank of Hawaii) and banners for use at certain free tax assistance sites.
- Working with organizations such as Hawaii Asset Building Coalition, Men's Leadership Hawaii, and American Savings Bank to launch an effective volunteer recruitment campaign.

For the upcoming 2007 Tax Season, this Program will be increasing its volunteer recruitment efforts, expanding free tax assistance operations, particularly on the neighbor islands, and focusing on creating a stronger network between the free tax assistance initiatives and financial literacy and asset building programs. Get involved today! Call the FSSP Coordinator at 808.543.2201.

The Journey To Self-Sufficiency Begins With A Single Step



Lt. Governor James "Duke" Aiona was the guest speaker at the kickoff event for the 2006 tax season which was held at Goodwill Industries' Beretania location.

The EITC is the largest federal poverty prevention program and provides more \$\$\$ to working families than other Federal aid programs.

Yet nationwide, approximately 25% of EITC-qualified taxpayers are not claiming this valuable benefit.



Help Spread The Word In Multiple Languages!

Information about the EITC is available in English, Samoan, Ilocano, Chuukese, Tongan, Spanish, and Japanese. Call the FSSP Coordinator at 808.543.2201 and request your outreach materials today.

Ten Ways You Can Participate In This New Coordinated Effort

1. **Volunteer To Prepare Tax Returns** – No previous experience is necessary. Almost anyone willing and able to do a little training (in the classroom or via the internet) can become a certified volunteer tax return preparer.
2. **Become A Site Coordinator** – Site coordinators are responsible for supervising the volunteers at the tax assistance sites and for transmitting tax returns prepared by their volunteers to the Internal Revenue Service. Site coordinators receive instructions and support from IRS representatives.
3. **Become An Intake Specialist** – Greet the clients when they come into a free tax assistance site and review their documents, perform a preliminary survey, and provide them with information about other available programs such as education, employment, and financial literacy classes.
4. **Provide A Location For A Site** – Local tax coalitions are seeking to expand their operations and are always looking for suitable locations where additional free tax assistance sites can be established.
5. **Provide Translation Services** – Since English is not the primary language spoken in the homes of many EITC-qualified taxpayers, certain sites would be able to operate more efficiently if they had access to the services of a translator during the tax season.
6. **Help To Recruit Volunteers** – You can help the recruitment effort by launching an internal recruitment campaign at your organization or church. Post our "volunteers needed" flyer at your work site or e-mail it to your employees or fellow workers or associates.
7. **Help With Outreach** – Assist in distributing materials to anyone who could benefit from or is interested in this Program, including organizations and agencies that provide services to EITC-qualified taxpayers.
8. **Provide Assistance With Computers**
9. **Become A Trainer** – If you have extensive experience in preparing tax returns and have a good knowledge of federal tax law, you can help to train volunteer tax return preparers. Volunteer trainers are especially needed on the neighbor islands.
10. **Donate Items That Cannot Be Provided By This Program** – There are certain items that are needed by various sites but cannot be provided by this Program. Visit the Site Wish List that will be posted on the Program's website – hawaiiataxhelp.org – in October to see if you can help.

**DO GOOD. FEEL GOOD.
BE A VOLUNTEER.**



Ten Reasons Why You Should Get Involved

1. According to the U.S. Census Bureau, one in eight Americans lived in poverty last year.
2. The EITC is considered the nation's largest and most efficient anti-poverty program. Yet, nationwide, approximately 25% of EITC-qualified taxpayers are not claiming this valuable benefit.
3. Locally, this effort brings federal dollars into the State since a substantial portion of EITC refunds are used to purchase local goods and services.
4. The EITC makes work more attractive than welfare. It is a hand up and not a hand out.
5. EITC-qualified taxpayers who use a free tax assistance site instead of a paid preparer save approximately \$150 to \$250, money that could be used to purchase needed items for themselves or their families.
6. In Tax Year 2004, of the 83,247 EITC returns filed from the State of Hawaii, 51,314 of them were submitted by paid preparers, a fact which indicates the dire need of expanding the number of free tax assistance sites and encouraging low-income taxpayers to use this service.
7. Approximately 57 percent of EITC overclaims made in Tax Year 2004 were made on returns put together by paid preparers.
8. In Tax Year 2004, of the 1,545 Hawaii EITC claims that were entirely disallowed, 1,044 were on returns that were self-prepared and 483 were on returns that were submitted by paid preparers.
9. The use of free tax assistance sites decreases predatory lending practices, such as Refund Anticipation Loans (RALs), which are heavily marketed to low-income taxpayers by commercial tax return preparers.
10. Free tax assistance sites are able to distribute information regarding other services offered by participating agencies and organizations and can assist these agencies and organizations with their own outreach efforts.

Tax Preparation Training – More Options Available This Year!

Classes – Schedule of classroom training will be available soon!

Online Training – Federal tax law training available through IRS website, the Link & Learn section.

Web CT – A new interactive website being created by Wayne Tanna with automated response and feedback capabilities.

DVD Training – A DVD for State tax law training will be available in the Fall.

For more information, please call the FSSP Coordinator, AUW 808.543.2201

Mahalo to all of this Year's Participants

AARP
ACORN – Wahiawa
Alu Like, Inc.
American Savings Bank
AUW 2-1-1
Bank of Hawaii
City and County of Honolulu's
Section 8 Family Self-Sufficiency
and Home Ownership Program
Goodwill Industries of Hawaii, Ltd.
Hawaii Asset Building Coalition
(HABC)
Hawaii Services on Deafness
Ho'opono Rehabilitation Center
Internal Revenue Service
Kauai Economic Opportunity
Men's Leadership Hawaii
Oahu Work Links – Dillingham
Oahu Work Links – Makalapa
Office of Community Services
of the State of Hawaii
P.A.C.T. – Windward Office
UH West Oahu
Volunteer Hawaii
Volunteer Legal Services of Hawaii
(VLSH)

So, how did we do this year?

Thanks to the help of volunteers and participating organizations and agencies:

- 3 new free tax assistance sites were established
- The number of non-student volunteers increased by 240%!
- The use of free tax assistance sites by Hawaii residents increased by 68%*
- EITC filings at free tax assistance sites increased by 232%**

* Does not include AARP Tax Aide sites
** Does not include EITC filings at military sites

A Special Mahalo to all the Volunteers Who Worked at the Various Tax Sites!



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