

Free Tax Preparation Sites Expanded

Published in the Summer 2008 *Community Action Journal*

Free tax preparation sites operated by community action agencies in partnership with the Kentucky Asset Success Initiative helped families claim tax refunds in 2008. More than 6,800 families utilized the free tax preparation sites with refunds of \$6,909,675 and 2,203 of those families claimed the Earned Income Tax Credit (EITC) with refunds of \$2,934,499. The free tax service helped families save an average of \$150 to \$170 each in tax preparation fees. In addition, 1,793 individuals attended financial education and home ownership workshops.

The Earned Income Tax Credit is the federal government's largest program benefiting working families. Research has shown that the EITC has a significant impact on many low- to moderate-income families because it reduces poverty, encourages employment, supplements low wages, helps families build assets and purchasing power.

The Kentucky Coalition for Economic Independence is a collaboration of Community Action Kentucky and the Kentucky Domestic Violence Association. The mission of the Coalition is to build on the statewide network and experience of Community Action Kentucky and the Kentucky Domestic Violence Association in EITC outreach, free tax preparation and asset building work.

In 2007, the Coalition received funding from the Office of Community Services for the Training, Technical Assistance and Capacity Building Program.

As a result of the funding, the Coalition has begun to build the capacity of organizations providing free tax preparation sites. The Coalition began building the capacity of the six existing community action agencies and expanding its reach by including three additional community action agencies.

The nine community action agencies cover 37 counties and represent the Central, Eastern, Southern, and Western regions of the state. The agencies are: Audubon Area Community Services, Bell-Whitley Community Action Agency, Big Sandy Area Community Action Program, Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Foothills Community Action Partnership, KCEOC Community Action Partnership, Lake Cumberland Community Action Agency, LKLP Community Action Council, and Community Action of Southern Kentucky. The expansion resulted in increasing the free tax preparation sites by 48% from 25 to 48 and from 13 to 37 counties in the state.

Providing the EITC tax sites within the community action agencies has been successful. Consumers have built trusting relationships with their local agency through participation in various programs. As a result of their satisfaction and success they refer family and friend to various programs such as the EITC.

Through the Earned Income Tax Credit, low to moderate income individuals, couples and families will have the opportunity to build their assets to achieve their potential and fulfill their dreams of economic self-sufficiency and security.

Community Action Kentucky EITC Service Areas

