



Dear Legislators:

2/21/08

My name is David McGhee. I am the Site Coordinator for the Village for Families and Children's two Volunteer Income Tax Assistance (VITA) centers located in Hartford. This current tax season, 2008, is the Village's 5<sup>th</sup> year operating a VITA center. I offer this testimony in support of a State Earned Income Tax Credit.

Over the previous 4 years, The Village has experienced a growth in returns prepared, from 71 returns in year one to 420 returns prepared last tax season; a 492% increase. We hope to increase the number of returns prepared this 2008 tax season. Our increase in returns prepared is a result of outreach, face-to-face contact, and word of mouth. We have no advertising budget. We have a high percentage of tax payers that return to the tax centers each year who have begun to refer friends and family members. I realize that some of the discussion surrounding the State Earned Income Tax Credit has to do with a number of individuals not taking advantage of the Federal Earned Income Tax Credit. However, a simple solution is a well financed ad campaign, which most of the community based organizations operating VITA centers cannot afford; thus, we rely primarily on word of mouth, which is yielding results as previously indicated.

The Village has embodied the VITA center into its' mission of "building a community of strong, healthy families who protect and nurture children", for the Earned Income Tax Credit is one of the most effective programs in lifting families above the poverty threshold. The VITA/EITC campaign goes beyond preparing taxes. We have an asset building component added to the free tax preparation program. It takes education, training, and due diligence to prepare returns completely and accurately. It takes 15 to 21 trained volunteers to operate the two Village VITA centers. The volunteers are truly "volunteers", which are often taken for granted. It takes a minimum of 16 hours of training and certification required to volunteer under this IRS sponsored program. Our volunteers are community members, UCONN Law School students, corporate employees, City of Hartford employees and retirees to name a few. Our volunteers tax preparers take the time to explain, educate, and assist our tax clients with resolving any issues regarding their personal finances or taxes. Those that we cannot assist are referred to our Hartford Asset Building Collaborators or the IRS. The time, we spend with our clients, the majority who are marginalized, helps builds trust, confidence, and motivates the client to take positive steps in building self-sufficiency.

In closing, those of us involved with the free EITC tax preparation campaign know the value of the federal earned income credit to individuals, families and the community. There has been sufficient discussion regarding the benefits of a State Earned Income Tax Credit. The value that community based organizations, volunteers, funders, and advocacy groups have been overlooked, underestimated, and discounted. A state earned income credit makes sense. Look at our neighboring states, and across the country. It's a best practice. It makes sense for Connecticut to have a State Earned Income Tax Credit.