



AARP FOUNDATION TAX-AIDE

THE NATION'S LARGEST FREE, VOLUNTEER-RUN
TAX PREPARATION PROGRAM
SERVES MILLIONS OF LOW-TO-MODERATE INCOME TAXPAYERS

Why Tax-Aide Matters

Because of the complexity of the U.S. Tax Code, older and low-income taxpayers may overpay their taxes or have to rely on expensive and, for many, unaffordable professional tax preparation services.

In 2011, AARP Foundation Tax-Aide's 35,000 volunteers provided 2.6 million people with free tax help. Tax-Aide clients received \$1.3 billion in income tax refunds and more than \$233 million in Earned Income Tax Credits (EITCs).

The benefits of AARP Foundation Tax-Aide go far beyond those it serves: AARP Foundation Tax-Aide provided nearly \$357 million in social return on investment (SROI) benefits in 2010 -- or \$224.42 per tax return filed. This includes:

- Taxpayer savings from not paying commercial tax preparation fees and high-interest refund anticipation loans (RALs) and refund anticipation credits (RACs);
- EITCs that would have been missed;
- Federal government savings from the over 90% of AARP Foundation Tax-Aide returns that are filed electronically; and
- Gains to local economies from taxpayers spending their refunds and tax credits near home.

To find the nearest Tax-Aide site or learn how to volunteer, go to www.aarp.org/taxaide or call 1-888-AARP-NOW (1-888-227-7669).

AARP Foundation
601 E Street, NW
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1-888-OUR-AARP

www.aarp.org/foundation

AARP Foundation is a leading charity dedicated to helping low-income, vulnerable older people meet their everyday needs – food, housing, income and personal connection.

In 2011, some 35,000 volunteers at 6,500 Tax-Aide sites in all 50 states and the District of Columbia helped 2.6 million people—many age 60 and over—navigate complicated tax codes, ensure proper credits and deductions and file their federal, state and local tax returns. By using AARP Foundation Tax-Aide, these taxpayers also avoided tax preparation fees and pitches for high-interest tax credit or refund loans.

From February 1 to April 15, each AARP Foundation Tax-Aide volunteer helped an average of 89 people file their taxes. AARP Foundation Tax-Aide volunteers are trained and IRS-certified each year to ensure their knowledge about the latest changes and additions to the U.S. Tax Code.

As the U.S. Tax Code has become increasingly complicated, so has preparing individual tax returns. An IRS *Taxpayer Usage Study* reported that 90% of taxpayers have help doing their taxes: 63% pay a commercial tax preparer and 27% use taxpayer software programs.

Low-income and senior taxpayers may have especially difficult tax situations:

- An estimated 25% of eligible low-income workers fail to file for an Earned Income Tax Credits (EITCs), either because they do not know they exist or that they qualify for the credit.
- Retirees whose previous experience with tax returns was limited to the short 1040EZ often face new provisions and complex forms to determine the taxable portion of their retirement income, different standard deduction amounts, permissible health care deductions and, if they sell their house, treatment of capital gains.
- Among many older people, the spouse who had always prepared the taxes dies or becomes incapacitated, leaving the other both grief and knowledge-stricken.

Four volunteers started AARP Foundation Tax-Aide in 1968. Ten years later, the U.S. Congress established the Tax Counseling for the Elderly program under the Internal Revenue Service, which provides funding to AARP Foundation and other nonprofits to help older people with their federal taxes.

In FY2011, AARP Foundation Tax-Aide received \$5.9 million in IRS funding.