



STATEMENT FOR THE RECORD

SUBMITTED TO THE

**HOUSE WAYS AND MEANS
OVERSIGHT SUBCOMMITTEE**

Hearing on the Taxpayer Experience with the Internal Revenue Service

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Submitted By

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AARP Foundation thanks Chairman Buchanan, Ranking Member Lewis and members of the Oversight Subcommittee for the invitation to testify today on the “Taxpayer Experience with the Internal Revenue Service.” We appreciate the opportunity to share with you information about AARP Foundation Tax-Aide and our service to the American taxpayer. I am Lynnette Lee-Villanueva, Vice President and National Director for the program.

AARP Foundation works to end senior poverty by helping vulnerable older adults build economic opportunity and social connections. As AARP’s charitable affiliate, we serve AARP members and nonmembers alike. Bolstered by vigorous legal advocacy, we spark bold, innovations solutions that foster resilience, strengthen communities and restore hope.

Helping older adults preserve as much of their existing income as possible is an important part of our mission to increase economic opportunity. AARP Foundation Tax-Aide is one of the ways we accomplish that. It’s the nation’s largest free, volunteer-run tax assistance and preparation program, administered in conjunction with the Internal Revenue Service. Started in 1968 with just four volunteers at one site, Tax-Aide relies on volunteers, who make a difference in their communities by assisting many older, lower-income taxpayers who might otherwise miss out on important credits and deductions.

Today, as we approach our 50th anniversary, nearly 35,000 volunteers in all 50 states and the District of Columbia serve in approximately 5,000 Tax-Aide sites from February 1 to mid-April. AARP Foundation Tax-Aide volunteers are trained and IRS-certified each year to ensure they know about and understand the latest changes and additions to the U.S. Tax Code.

In 2017, AARP Foundation Tax-Aide volunteers helped 2.5 million people navigate complicated tax codes, ensure proper credits and deductions, and file their federal and state tax returns. Taxpayers who used AARP Foundation Tax-Aide received \$1.37 billion in income tax refunds and more than \$222 million in Earned Income Tax Credits (EITCs). This year, individuals served by Tax-Aide had an average Adjusted Gross Income (AGI) of about \$27,000.

The number of federal returns prepared by AARP Foundation Tax-Aide sites in tax season 2017 in all 50 states and Washington DC exceeded 1.5 million, with a 98% e-file rate. Not only is Tax-Aide the producer of about one-half of all volunteer prepared returns, but our research also indicates that the full Tax-Aide effort ranks fourth on the list of all tax preparing entities, behind only the top three national paid preparer firms.

Taxpayer Program Feedback

AARP Foundation Tax-Aide is consistently well regarded by taxpayers. According to the 2017 AARP Foundation Taxpayer Satisfaction Survey, the vast majority of respondents — 96 percent — stated that they were very satisfied with the service. Nearly all Tax-Aide respondents reported that the overall quality of service they received was excellent (87 percent) or good (10 percent). In fact, among those who used AARP Foundation Tax-Aide in previous years, 92 percent say that they returned to AARP Foundation Tax - Aide because they are satisfied with the quality of service.

Program Funding

With funding support from the Tax Counseling for the Elderly (TCE) and Volunteer Income Tax Assistance (VITA) grants, as well as from AARP Foundation, AARP Foundation Tax-Aide has assisted more than 50 million people since the program began.

The Tax Counseling for the Elderly program offers free tax help to individuals who are age 60 or older. The IRS and eligible organizations enter into cooperative grant agreements to provide tax assistance to elderly taxpayers. The funds provided by the IRS are used by organizations to reimburse volunteers for their out-of-pocket expenses — including transportation other expenses incurred by them in providing tax counseling assistance at locations convenient to the taxpayers.

The Volunteer Income Tax Assistance program offers free tax help to people who generally make \$54,000 or less, people with disabilities and taxpayers who speak limited English who need assistance in preparing their own tax returns.

Program Structure and Scope

AARP Foundation Tax- Aide provides traditional face-to-face tax assistance service in neighborhood locations such as libraries, malls, banks, community centers, and senior centers. Space for tax preparation is provided rent-free thanks to local partners that donate their space, and, in some cases, they also help with administrative activities and program promotion. Taxpayers have access to Tax-Aide locations that are open by appointment only, as walk-in sites, or a combination of both.

Tax-Aide sites are staffed by volunteers mainly consisting of Counselors and Client Facilitators. Counselors are trained to prepare and quality-review tax returns, and Client Facilitators greet taxpayers and help them with their paperwork. Other volunteers provide equally important activities; they include translators, technologists, administrators, and site leaders, among others. Volunteers on average spend about six years in the same volunteer position and many of our volunteers have stayed with the program for more than 20 years.

Administrative support and policy guidance are provided by 15 professional program staff based in Washington, DC. A network of AARP state offices around the country assists volunteers with local recruitment and promotion support to reach target audiences, including those age 50 and older, multicultural populations, homebound and disabled, to name a few. We also have initiatives in place to serve diverse communities in underserved rural and urban areas.

In addition, AARP Foundation Tax-Aide staff and volunteers work closely with the IRS, specifically with the Stakeholder Partnerships, Education & Communication (SPEC) team, which is the outreach and education arm of the Wage and Investment Division of the IRS. We work with SPEC's national relationship manager, and have built strong local relationships with SPEC Territory Managers nationwide.

Training and Scope

AARP Foundation Tax-Aide volunteers must train and test every year in order to serve taxpayers. Volunteers assisting taxpayers take Standards of Conduct training provided by the IRS, and must

achieve IRS certification at the advanced level. The program's training commitment is 3 to 5 days of in-person instruction, depending on the experience of the Counselor. State tax law training is also provided by local volunteers.

Volunteers are trained within a nationally determined scope of work. Tax-Aide and the IRS review what will be in scope for tax preparation each year. Examples of areas in scope include typical items such as wages, interest, retirement income, Social Security benefits, and IRA contributions, and many other items. Examples of areas out of scope include self-employment expenses that exceed \$25,000, and rental income. (See the addendum for the 2018 tax season AARP Foundation Tax-Aide scope document.)

Training for specific areas of scope provides volunteers with a clear understanding of what they can and cannot prepare; adhering to scope also protects our volunteers via the Volunteer Protection Act of 1997, which aims to promote volunteerism by limiting, and in many cases completely eliminating, a volunteer's liability when acting for nonprofit organizations.

Taxpayer Resources

In addition to in-person assistance, AARP Foundation Tax-Aide seeks to be responsive to taxpayers through various resources. Each season in mid-January we open the Tax-Aide Site Locator Tool (aarp.org/FindTaxHelp) providing an easy and efficient way for taxpayers to find information and locations of open Tax-Aide sites. AARP Foundation Tax-Aide also employs a call center so taxpayers and other interested parties can contact us with questions. In addition, Tax-Aide provides Online Tax Assistance, a web-based tool available year-round, where taxpayers can find answers to frequently asked questions, as well as submit their own questions and receive prompt answers about tax preparation. Tax-Aide also provides access to "My Free Taxes," an option for taxpayers interested in filing their own returns electronically.

In the off-season, taxpayers can contact Tax-Aide if they need help with an amended return or have questions about letters from the IRS. AARP Foundation Tax-Aide has a limited number of sites open after the tax season has ended to help taxpayers; volunteers also make themselves available to help on a one-to-one basis, as needed; and, we may recommend that taxpayers get help from the IRS Taxpayer Advocate Service (an independent organization within the IRS to protect taxpayer rights and assist with problems taxpayers can't resolve on their own).

Closing

AARP Foundation Tax-Aide continues to strive to provide accurate returns and compassionate service to those who need it most by helping them preserve as much of their existing income as possible. We appreciate the Committee's efforts today to better understand the taxpayers' tax filing experience. We stand ready to serve as a resource and partner for the Committee to improve the tax filing experience for everyone.