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Program helps poor file tax returns

Low-income Delawareans could receive \$4,400 refund

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The News Journal

The government may have a \$4,400 tax refund for you - but you have to ask for it. "This isn't welfare or a handout," state Treasurer Jack Markell said. "It was voted on by Congress. It's a tax break."

Markell is leading a free tax-preparation project that starts statewide Tuesday to help lower-income Delawareans claim that cash. And more.

At 23 sites including two for Spanish-speakers, volunteers will prepare taxes and file electronic returns for working taxpayers in households with annual income of \$40,000 or less.

About a third of the state's taxpayers are eligible for the service, said Mary Dupont, executive director of the nonprofit **Nehemiah Gateway** Community Development Corp. in Wilmington and a key organizer of the project.

Last year, the effort - involving hundreds of groups and volunteers - got more than \$11 million returned to more than 8,000 Delawareans.

This year's goal: free tax returns for 10,000 statewide.

Volunteers Veda and Alieu Bawo of Pike Creek were spending Sunday getting trained by Internal Revenue Service officials to serve as volunteers with the program.

Veda Bawo, who volunteered at work at JPMorgan Chase, said she was delighted that her husband agreed to join her. She said they will spend much of the next three months helping families get tax breaks they deserve and personal empowerment that can have long-term benefits for their families and finances.

"This is definitely a positive thing that can help thousands of people," she said. "We're really excited about it, about volunteering together and helping people."

Taxpayers with two or more children and annual household income below \$37,000 may be eligible for the top benefit of \$4,400 cash using what is called the Earned Income Tax Credit, Markell said.

The IRS estimates that one of every five workers eligible for the Earned Income Tax Credit fails to claim it.

The refund is enough to have the impact of raising the taxpayer's hourly wages from \$7 an hour to \$9, Markell said.

"This is a godsend to people," said Wilmington Mayor James M. Baker.

Many people may not know they are eligible for the refunds, he said. Or, they may not understand how to get them or fail to claim the credit out of pride or embarrassment because they think it's some type of charity, he said.

Baker said he urges all city residents who are eligible to take advantage of the program, which also saves them having to pay about \$200 for tax-preparation.

The program also helps families make ends meet, said senior tax specialist Michelle Harris of Newark.

Harris, who has been involved in the project for three years, said the tax refunds give a little breathing room to families living paycheck to paycheck.

"To me, it's just phenomenal," Harris said. And she likes that volunteers come from all walks of life to pitch in to help those in financial straits, a point she said shows "we're all in this together."

"This year, I'm really excited because we have two new services we're offering," Dupont said.

The earliest participants will get a bonus of free credit checks with scores from all three evaluating agencies, an interpretation of the numbers and an offer of counseling if they have credit issues, she said. The first 1,000 taxpayers will get credit checks financed by a grant from Fannie Mae, she said.

Second, free screening will be provided for other benefits that applicants may be eligible to receive, such as child care subsidies, welfare or food stamps.

Information also will be provided about financial education in "The Money School" of programs that Markell established.

Many may be eligible for savings accounts toward higher education, down-payment on a home or starting a business - and having their savings of up to \$1,500 matched by Individual Development Account partners JPMorgan Chase, Citibank, Discover, Deutsche Bank, GMAC Bank, ING Direct, the Delaware State Housing Authority and the U.S. Department of Health and Human Services.

Another program many may be eligible for is one that provides no-interest car loans.

"There's a whole array of other services that can help them up the economic ladder," she said.

Services also will be more accessible this year, Dupont said, because a mobile unit equipped with computers will be visiting modest-income communities in Dover, Laurel, Lewes and Selbyville.

Services in Spanish also will be available in day and evening hours scheduled at St. Paul's Catholic Church in Wilmington and at First State Community Action/Central Sussex in Georgetown.

About half a million fliers about the free tax preparation program have been printed and will be distributed in many ways and places statewide - including use as tray liners at McDonald's restaurants.

Markell said the fliers' tips also can help Delaware taxpayers whose income exceeds the limit for free tax preparation - such as deducting donations to church or charities, writing off mortgage interest and taxes, and remembering to deduct child tax credits.

Although many taxpayers think the IRS is "always the bad guy," Markell said that's not true in this case. Not only is the IRS providing volunteer training, the agency has donated computer software that will be used in the free tax return filing program.

And Markell said the IRS officials he knows love the unique Delaware program's slogan: "Tax Breaks Aren't Just for the Rich! Get YOURS too!"

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HOW TO HELP

The Delaware Earned Income Tax Credit Campaign welcomes volunteers. Those who prepare taxes through the program receive training first. Other volunteer opportunities also are available. For more information, call the **Nehemiah Gateway** Community Development Corp. at 655-0803.

FREE TAX HELP

Working taxpayers whose annual household income is \$40,000 or less can have their taxes done and filed electronically - free - thanks to a coalition of groups led by the state and **Nehemiah Gateway** Community Development Corp.

Individuals can take their materials to any site during operation hours.

For more information, call the Delaware Helpline at (800) 464-4357.

Returns for sole-proprietor, home-based businesses are prepared by appointment only. To

make an appointment, call the helpline.

The service starts Tuesday.

It ends April 15.

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