



MAIN OFFICE: 39 Broadway, 10th fl, New York, NY 10006, T: 212.566.7855 F: 212.566.1463
WAREHOUSE: Hunts Point Co-op Market, 355 Food Ctr Dr, Bronx, NY 10474, T: 718.991.4300, F: 718.893.3442

Testimony prepared by

German Tejeda

for the

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on behalf of

Food Bank For New York City

Good afternoon. My name is German Tejeda and I am the Senior Director of Financial Services at Food Bank For New York City. Food Bank appreciates the opportunity to present testimony today at the National Taxpayer Advocate Public Forum. I want to thank our National Tax Payer Advocate Nina Olson and Congressman José Serrano for the invitation to speak to you today.

For more than 30 years, Food Bank For New York City has been the city's major hunger-relief organization, working to end food poverty throughout the five boroughs. Nearly one in five New York City residents relies on our programs and services. Through our network of more than 1,000 charities and schools citywide, Food Bank's food distribution program provides approximately 64 million free meals for New Yorkers in need. Food Bank For New York City's income support services, including SNAP enrollment and free tax assistance for the working poor, put more than \$150 million each year into the pockets of New Yorkers, helping them to afford food and achieve greater dignity and independence. In addition, Food Bank's nutrition education programs and services empower more than 42,000 children, teens and adults to sustain

a healthy diet on a low budget. Working toward long-term solutions to food poverty, Food Bank develops policy and conducts research to inform community and government efforts.

My testimony today will focus specifically on Food Bank's Tax Assistance Program.

Launched in 2002, Food Bank's Tax Assistance Program provides hard-working low-income New Yorkers with free tax preparation services, helping them get the refunds and credits to which they are entitled, including the Earned Income Tax Credit (EITC)—a key piece of the public safety net, which alone can be worth up to \$8,427 for families in New York City. We coordinate one of the largest free tax assistance programs in the country outside of the United States military—seven of the top 15 providers of free tax assistance in Fiscal Year 2015 are Food Bank sites. In 2015, Food Bank's tax assistance sites filed 85,000 tax returns, helping garner more than \$141 million in tax returns and credits for low-income New Yorkers. Food Bank's program targets families and individuals in the communities of highest need, as measured by the Meal Gap, New York City's official measure of food insecurity. Last year, approximately 70 percent of all refunds were returned to New Yorkers in communities experiencing a high Meal Gap.

In addition to our flagship Tax and Financial Service Center (located at 114th street in Harlem) and 16 other full-service tax preparation sites, Food Bank For New York City has also expanded our reach in all five boroughs and currently supports more than 120 Volunteer Income Tax Assistance (VITA) sites—in locations such as public housing developments and community colleges. This includes our virtual program model, launched in 2014, through which clients in communities where a large full-service tax site is not available can instead visit intake sites to have their taxes prepared and e-filed remotely. In 2016, our virtual program has expanded to more than 100 virtual sites, giving busy, hard-working New Yorkers more convenient ways to file their returns for free.

Since the program's inception, Food Bank's free tax services have secured more than \$900 million in tax refunds for our clients. In addition, the program enables greater economic self-sufficiency by providing eligible New Yorkers with access to bank accounts, affordable health insurance information, financial counseling, and connection to food assistance benefits through our Supplemental Nutrition Assistance (SNAP, formerly known as food stamps) outreach and application assistance program.

Food Bank For New York City continues to be grateful to the IRS for their continued support and funding, and appreciates the opportunity at this afternoon's forum to offer suggestions that would allow VITA providers to strengthen their programs and serve even more clients.

First, IRS grants currently do not reimburse VITA providers for paid tax preparation staff, even if those staff are not directly providing tax preparation services but only

supervision or quality review.¹ While VITA is, as the name indicates, a volunteer-based program, paid staff provide VITA programs with valuable support that cannot easily be supplied by volunteers.

We recommend allowing IRS VITA grants to pay for staff such as Quality Reviewers and Site Coordinators/Managers, whose roles bring stability and ensure quality services at VITA tax preparation sites. The majority of Site Coordinators/Managers come to our program with a minimum of three years of experience. Our Quality Reviewers also come to us with significant experience – no one can become a Quality Reviewer with us in their first year. These roles, which require both a high level of expertise and a substantial time commitment, are not well suited for volunteer assignments yet play a critical role in ensuring tax clients receive the high-quality services to which they are entitled.

A second recommendation is to provide sufficient funding to allow VITA locations to be open year-round, not just during the January-to-April tax season. Food Bank's flagship location on 114th Street is open year-round, and is consistently filled with clients even outside of tax season. During the off-season, we see a large number of clients (many cash earners) who have received letters from federal or state taxation agencies challenging their claims to the EITC and other tax credits. Each year, we see many such cases; more year-round tax sites would allow additional low-income people to access these off-season services without being forced to pay for help to respond to what can be very alarming notices.

In an immigrant-dense city like New York, we naturally serve a high number of non-English speaking clients, and take great pride in the fact that we are able to offer our tax assistance services in multiple languages. Language barriers unfortunately drive many of the requests for assistance we receive. We recommend the IRS simplify the language in written notices, provide a way for tax filers to indicate a language preference in the event their return generates a notice, and mail notices in the language designated..

Food Bank For New York City also participates in the IRS Certified Acceptance Agent (CAA) program, which enables us to submit applications for Individual Taxpayer Identification Numbers (ITINs) for taxpayers who have earned income in the United States and are filing their tax returns but do not have a Social Security Number (SSN). As a CAA, we are authorized to review and verify tax filers' identification documents so they can be issued an ITIN. We are currently part of an IRS pilot program that allows us to also certify the documents of a filer's spouse and dependents, if they come through a referral from the IRS. We support giving CAAs this broader authority to enable the more efficient completion of tax returns for couples and families.

I would once again like to thank the Taxpayer Advocate and Congressman José Serrano for the opportunity to testify today. Food Bank For New York City is grateful for

¹ IRS funding *can* be used to pay for personnel not considered to be delivering tax preparation services, such as administrative staff or interpreters.

the strong partnerships that give us the opportunity to serve thousands of low- and moderate-income New Yorkers every year. We look forward to continuing to work together to improve the program and help even more of our neighbors and community members. Thank you.