

# 2023 CONSENSUS LEGISLATIVE AGENDA UNITED WAY OF FLORIDA



## Free Tax Preparation Assistance

**ALICE** is an acronym for Asset Limited, Income Constrained, Employed. “Employed” is the key word.

**ALICE** workers are essential to the fabric of our society and our economy. **ALICE** works in jobs integral to our communities: from childcare and home health, to mechanics, retail and hospitality; these are workers we rely on daily to keep our economy running

**ALICE** represents households with incomes just above the Federal Poverty Level, who with limited eligibility for government supports, are consistently challenged to afford basic needs such as housing, food, health care, childcare, and transportation.

**ALICE studies reveal that almost half of Florida’s Households - 46% - struggle to pay their bills monthly, and more than 2.4 million Florida children - 56% - live in financially unstable households.**

### Tax preparation assistance: helping Floridians access refunds

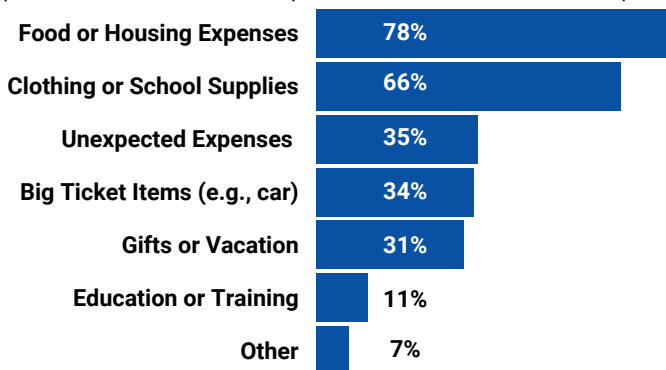
Every year, thousands of IRS-certified volunteers at more than 350 tax preparation sites, coordinated by Military, VITA, and United Way, mobilize to provide reliable tax preparation assistance to low-income individuals, families and people with disabilities helping them meet tax obligations and get the best refunds for which they are eligible. Data from before the pandemic, reflects that these partners annually filed over 219,000 returns that helped Floridians claim over \$232 million in tax refunds and saved low-income taxpayers an estimated \$17.6 million in tax preparations fees.

### Earned Income Tax Credit: bringing funds back to Florida

The Earned Income Tax Credit (EITC) is a bipartisan anti-poverty tool that is extremely underutilized. Research shows that EITC encourages work, reduces poverty, and has long-lasting positive effects on families. In fact, most EITC users spend refunds on essential household items or clothing which, in turn, generates additional sales tax revenue for the state. In 2021, the average taxpayer receiving EITC from VITA had a household gross income of \$26,692 and received on average \$1,362 in tax credits through EITC. This is enough to pay for preventative medical care for children for a year or for a mom to feed her two children for five to six months. Unfortunately, the IRS estimates that 18.6 percent of eligible Florida taxpayers don’t claim the credits they’ve earned, meaning Florida’s low-income taxpayers leave more than \$1.2 billion of their hard-earned EITC credits on the table each year in Washington. If claimed, these funds can benefit families while increasing state and local sales tax revenue.

### State Investments Generate a Positive ROI

Most EITC users spend refunds on much-needed items that also generate sales tax revenue for the state.  
(total is more than 100% as recipients could state more than one expenditure)



## PROPOSED CHANGES

Florida’s United Ways urge the Florida Legislature to:

INVEST \$1.2 million in state funding which, when combined with the \$1.8 million match by local United Ways in Florida, offers enhanced opportunity for free tax preparation:

- Extending services to underserved populations in the hardest-to-reach areas.
- Increasing capacity to file returns electronically.
- Improving quality and accuracy through increased recruitment and training of volunteers.