

JANUARY 24, 2005: NASHVILLE FAMILIES MAY LOSE AS MUCH AS \$21 MILLION

---community-wide
alliance works to help low- to moderate-

income families claim full Earned Income Tax Credit this year

---ten free tax prep
sites and two mobile units open to help families

and individuals with income of \$35,500 or less

NASHVILLE---More
than 100 Nashville-area organizations from government, business, churches and non-profits have joined together to help hard-working families in our community receive the full federal tax refund they deserve this year. Many low- to moderate-income families and individuals eligible for the Earned Income Tax Credit (EITC) fail to claim the tax credit each year. According to figures from the Internal Revenue Service (IRS), in 2005 as much as \$21 million dollars belonging to Davidson County taxpayers may be left on the table.

The community-wide group, the Nashville Wealth Building Alliance (NWBA), announced today that ten free tax preparation sites will be opening this week throughout Nashville. In addition, two mobile units will begin operation in February. The goal of the NWBA is to make sure the dollars Nashville families earned flow back into their pockets, and the area economy, at tax time. By offering access to free tax assistance, the NWBA is also helping area families avoid high-cost commercial tax preparers that often charge excessive fees for their services.

Information regarding the location and hours of the NWBA free tax preparation sites is available by dialing 2-1-1, Middle Tennessee's community services help line that is an initiative spearheaded by the United Way of Metropolitan Nashville. More than 370 area residents have already dialed 2-1-1 to find out about the EITC and the free tax prep sites. All sites are certified by the IRS through the Volunteer Income Tax Assistance (VITA) program. The free tax prep sites will continue operating through April 15th. Assistance will be available in Spanish, as well as English, at several of the locations.

"No one can afford to work hard all year and then just walk away from the income tax refund they are entitled to," U.S. Rep. Jim Cooper said. "Sadly, that is what almost 10,000 area families may do this year because they fail to file for the EITC. It costs each of them hundreds, even thousands of dollars. But for Davidson County, it means tens of millions of dollars will be unnecessarily lost to the local economy."

Cooper was one of many community leaders involved in the effort to help area residents claim their EITC refund this year who spoke about its importance at Monday's announcement.

"This is an important community-wide effort to help hard-working families keep more of their money working here in Nashville," Nashville Mayor Bill Purcell said. "By using our new 2-1-1 phone system taxpayers can find out where to get help, so they can use the Earned Income Tax Credit on this year's tax returns."

Thomas E. Beeman, President and CEO of Saint Thomas Health Services said that "Both national and Saint Thomas research have proven to us that a large part of our workforce - and in fact any workforce - is struggling in one or more ways with their personal finances. And that struggle is finding its way to the work setting. By offering workplace financial education and services we put into action a tangible means of living out our Mission, Vision and Values. We also improve the capacity of our associates to become more productive and connected to their jobs and their families. We find that this is a powerful way of building loyalty and commitment when those we've helped associate their improved well-being with Saint Thomas. Some have asked, why should we as an employer be involved in helping our employees address their personal financial issues, hope and dreams. My response is How could we not? It's not just 'the right thing to do.' It's a fundamental part of a workforce retention and engagement strategy that produces tangible returns."

According to Mark Desmond, President and CEO of United Way of Metropolitan Nashville, "The Earned Income Tax Credit program is an excellent way to get at the root cause of so many of society's problems: poverty. And since creating changes in underlying community conditions is one of our key goals, United Way welcomes the opportunity to be a part of this collaborative effort. Helping working families through EITC is all part of doing what matters."

Franvalerstar Martin, a Stratford High School sophomore and Youth Mobilizer at Community IMPACT!, said the commitment to helping families get their full refund is one Nashville youth feel strongly about too. "I'm here because I care about my neighbors and my neighborhood and want them to avoid wasting their money at tax time," the 16-year-old said. "I saw one of my friends going into one of the fast-tax prep services last Saturday and I stopped her. I told her about the free tax help and she is now going to get her taxes done for free at Community IMPACT!. It broke my heart to see my neighbors being taken advantage of and it motivated me to work even harder educating people in my neighborhood about economic issues. The work I do leading workshops and passing out flyers means even more to me now."

For the 2003 tax year, the IRS said 49,347 Davidson County families filed an EITC return and claimed \$85.4 million in refunds. However, an

additional 15% to 25% of those EITC eligible households failed to file for the credit, totaling between \$13 million and \$21 million in refunds lost to the community. In addition, almost 50% of the taxpayers filing for the EITC in Davidson County received their refunds through a Refund Anticipation Loan (RAL), costing these families and Davidson County a significant portion of their hard-earned refund.

Recognizing the importance of the EITC to area families, community leaders launched a program last year that offered free tax preparation at several locations around Nashville. Over 3,000 families were served at the VITA sites last year and over \$1.25 million in EITC refunds were returned to the Nashville economy.

This year, with key support from United Way, Community IMPACT!, Saint Thomas, The Federal Reserve Bank of Atlanta, and the Metropolitan Development & Housing Agency (MDHA) among others, the group expanded outreach in the community, providing information about the EITC and the free tax help to many area employers and community organizations. The NWBA hopes to encourage more EITC-filers to take advantage of the free tax sites. To accommodate the increased traffic, the number of free tax help locations was expanded and hours of operation extended.

This year, eligible individuals and families can get their taxes processed for free at one of ten locations:

- 100 Oaks Mall, 719 Thompson
Lane, 2 nd floor

- 15 th Avenue Baptist CDC, 930
Scovel Street

- Community IMPACT!, 211 N. 11 th Street

- Conexion Americas, 800 18 th Avenue South,
Suite A

- Mt. Zion
Baptist Church,
1112 Jefferson Street

- Mt. Zion
Baptist Church,
2261 Murfreesboro Road

- St. Luke's Community House, 5601 New York Avenue

- Westwood Baptist
Church, 2510 Albion Street

- Woodbine Community
Center, 222 Oriel Avenue

- Metro Action Commission, 1624 5 th Avenue North

In addition, Dell is providing laptops for two mobile units.

For more information about the EITC, the free tax sites and hours of operation, all interested taxpayers should dial 2-1-1. Information about the EITC and the NWBA free tax help is also available at the following website: www.cooper.house.gov.

The EITC has become an increasingly important part of the U.S. tax code since it was launched in 1975 under President Nixon. It is now considered one of the most successful anti-poverty programs ever developed, lifting nearly 5 million people above the poverty line every year. It is a refundable federal income tax credit that can provide substantial benefits --- up to \$4,300 to qualified filers in tax year 2004, depending on income, family size and marital status. Last year, more than 21 million taxpayers nationwide collected more than \$36 billion in EITC payments.

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