

# Appropriations Request to Improve Floridians’ Financial Stability

*Florida’s United Ways urge the 2016 Florida Legislature to invest \$1.2 million to expand access to free tax preparation and financial education programs*

## BACKGROUND

Every year, thousands of IRS-certified volunteers working at over 733 free tax preparation sites mobilize to provide reliable assistance to low-income individuals, families, the elderly and disabled to help them meet their tax obligations and get the best refunds for which they are eligible. In 2015, these coalitions and organizations filed over 219,000 returns that helped Floridians claim over \$232 million in tax returns and saved low-income taxpayers an estimated \$17.6 million in tax prep fees.

Floridians claimed \$5.1 billion in Earned Income Tax Credit (EITC) in 2014, though the IRS estimates that **over 17 percent of eligible taxpayers don’t claim the credits they have earned**. This means more than \$1.1 billion in potential tax credits are being “left on the table” in Washington instead of providing much-needed asset growth, financial stability, and economic stimulation to thousands of families throughout Florida.

By investing \$1.2 million to expand capacity of free tax preparation and financial education programs, the Legislature will help more than 31,000 working families save up to \$2.7 million in tax preparation fees, while generating more than \$48 million in tax refunds, including \$13 million in EITC; reduce the \$1.1 billion in EITC credit being left in Washington every year, and generate increased state and local tax revenues.

## PROPOSED CHANGES

Invest \$1.2 million in state funding to expand the capacity of free tax preparation and financial education programs. United Way of Florida, acting as fiscal agent, will provide grant dollars to qualified free tax preparation coalitions or organizations across the state to increase awareness, improve access, grow capacity and integrate financial education.



## STATE AND LOCAL IMPACTS

	Florida	Broward County
Volunteer-prepared returns – Total number of returns (TY2014)	219,000	8,132
Volunteer-prepared returns—Total refund amount (TY2014)	\$232 million	\$5.7 million
Saved in tax prep at volunteer sites (TY2014)	Over \$17.6 million	\$1.4 million
Volunteer-prepared returns: Amount claimed in EITC & ACTC refunds (TY2014)	\$67.7 million	\$2 million
All tax returns: Amount claimed in EITC & ACTC refunds (TY2013)	\$6.9 billion	\$714 million
Estimate number of eligible taxpayers who don’t claim their EITC refund	434,000	45,500
Estimate amount of unclaimed EITC	\$1.1 billion	\$112.6 million
Estimate in foregone state sales tax revenue due to unclaimed EITC	\$59.7 million	\$6.3 million
Estimate in foregone county sales tax revenue due to unclaimed EITC	\$8.5 million	\$900,000