



On-line Tax Filing Tools

Free File Alliance

In 2003, the IRS began a partnership with the Free File Alliance, a consortium of companies that provide free on-line tax preparation and electronic filing. Under an agreement with the IRS, workers earning less than \$52,000 in 2007 could use its on-line tax filing system at no charge to file federal returns. (Companies may charge to file state tax returns.) In January 2008, workers may access the Free File Alliance at the IRS website to explore what these companies offer and link to tax filing programs they may wish to use. Any changes in income limits or other qualifications for filers in 2008 have not yet been announced. Last year, 3.8 million taxpayers filed returns through the Alliance service. Outreach organizations can make their computers and Internet access available to low-income workers who want to use this service.

Note: The Free File Alliance can make it cost-free and easier for low-income tax filers to take advantage of electronic filing, but Tax Credit Outreach Campaigns should use caution in promoting this service. The services available may not be the best option for all low-income filers. Filers must complete their own tax forms at these sites. While companies attempt to make their sites “user-friendly,” they may charge extra fees to answer a worker’s tax questions.

Organizations that make their computers available to community residents so they can use this service may wish to have trained staff or volunteers available to answer questions and to review returns for errors before they are submitted to the IRS. In addition, some companies in the Free File Alliance offer refund anticipation loans at the same website. Outreach Campaigns should emphasize to workers that they are under no obligation to purchase these or other services offered by these companies. Outreach Campaigns should also let workers know that they can have their tax refunds deposited directly into their own bank accounts when using these services. *For more information on the Free File Alliance, see www.irs.gov/efile.*

I-CAN! E-File

The Legal Aid Society of Orange County, CA has developed I-CAN! E-File, a web-based program that enables community partners to assist taxpayers with incomes under \$50,000 in preparing and e-filing their own tax returns. I-CAN! E-File is written at a fifth grade literacy level and provides materials at no charge in English and Spanish. In 2007, 13,438 tax returns were filed through I-CAN! E-File, resulting in EIC claims worth more than \$6.8 million. I-CAN! E-File completes federal tax returns and state returns for California, Michigan, Montana and Pennsylvania. *For more information, please contact Jeanette Valencia at 714-571-5269 or jvalencia@legal-aid.com. Visit the I-CAN! E-File website at www.icanefile.org.*

The Beehive

The One Economy Corporation has created the “Beehive,” an on-line resource for people to find child care, social services, money management, employment and education resources in their communities. The Beehive provides information on the EIC and VITA sites, as well as offers workers an opportunity to complete their tax returns on-line. Through the Beehive’s partnership with CompleteTax, anyone earning under \$40,000 can e-file their federal and state tax returns. While CompleteTax normally charges individuals to use their services, this partnership with Beehive allows qualifying individuals to receive a promotional code through email that will waive all fees. *Visit www.thebeehive.org to learn more.*