

House Revenue Committee
April 25, 2011
Maureen Sloan, Testimony in Support of HB 3640

As the leader of the St. Vincent de Paul Conference at St. Frederic Catholic Church in St. Helens, I come in contact on a regular basis with those in our community who are struggling to survive economically. Whether it is due to loss of a job, cut in hours, illness, or other problem, many families come to us for help with utility bills, food, clothing, gas for their car, assistance with prescription costs, and many other things. Life is a struggle for these individuals and families.

Tax time brings some relief as refunds will help them catch up on overdue bills, buy clothing for their kids, and various other needs they may have. It is thus very distressing to me to find that the very companies who are providing a needed service (tax preparation) to these struggling, low-income families and individuals, are heaping on them unjustified fees which reduce the amount of their tax refund.

Most low-income taxpayers do not have the funds to pay the up front fees for their tax preparation, so the companies offer the option of a refund anticipation check (RAC), in order that these fees can be paid. These RAC's come with high fees attached.

It is just unfair to charge \$30.95 to set up a temporary account for their clients to receive their refund and then \$20 if they want to receive it in the form of a check, or other fees (if they chose an ATM card) which can add up to over \$30. All this is in addition to the \$187 fee for the actual tax preparation. These may not sound like amounts which are large enough to make a fuss about, but, I tell you, to struggling families who have overdue bills, or are struggling to put food on the table, this is \$50-60 dollars which is they do not have to spend on these essentials.

House Bill 3640 will curb excessive fees ; it will also provide disclosure to clients as to what fees they are being charged, and whether there is a need for a RAC in the first place. It does not have any effect on the fee for tax preparation, nor seek to limit this fee in any way.

I am a member of the Society of St. Vincent de Paul, and a parishioner at St. Frederic Church in St. Helens, but these opinions are mine alone, and do not necessarily reflect the opinions of others in the Society or in my church.

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