

Importance of Tax Infrastructure Grant

Highlighting Metropolitan Family Service (MFS) efforts

Why do we care about taxes?

Within our tax system exists powerful **anti poverty tools** designed for **low to moderate income families**

Child Tax Credit + Earned Income Tax Credit + more!

Oregon consistently ranks [close to last](#) compared to other states in access to these tax credits

Is a result of **families not filing their taxes** - means Oregonians are **leaving millions** federal and state credits and refunds on the table that should be **stabilizing family households** and **stimulating the local economy**

Why are families not filing their taxes?

Significant barriers can be categorized in three ways:

1. **Misinformation**

- a. Taxes are stressful, misunderstood, and not taught
- b. Requires bringing together financial documents and navigating companies infrastructure
- c. Families often do not understand the difference between must file and should file
- d. Tax code changes every year causes confusion

2. **Cost**

- a. Paid preparers charge significant amounts limits ability to acquire refunds
- b. Paid software also reduces refunds
- c. Predatory refund practices
- d. Disproportionally affects low income households

3. **Access**

- a. Majority of methods of tax preparation is available in English only
- b. Immigrants, refugees, and general population not familiar with tax system and how to file
- c. Significant distrust and fear of tax system and predatory preparers

What is the solution?

Volunteer Tax Preparation with **VITA**
(Volunteer Income Tax Assistance)!

- VITA is a program of IRS that partners with local 501c3s (like MFS) to provide **no cost** no tax preparation for low income communities
- MFS organizes and trains **18 VITA tax sites** with over **300 volunteers** and staffing
- Low income Oregonians can meet **one on one** and get the coaching needed to file return and file their tax return
- **Interpretation** readily accessible and available



MFS impact since receiving TIG (2022 HB 4117)

	2022	2023	2024	Totals
Total Returns Prepared	3,892	7,074.00	9,118.00	20084
Federal Refunds	\$6,876,561	\$7,980,494	\$10,237,071	\$25,094,126.00
State Refunds	\$1,692,507	\$2,394,662	\$7,893,700	\$11,980,869.00
Prep Fees Saved	\$211,257	\$2,063,410	\$2,714,875	\$4,989,542.00
Total Economic Impact	\$8,780,325	\$12,438,566	\$20,845,646	\$42,064,537.00

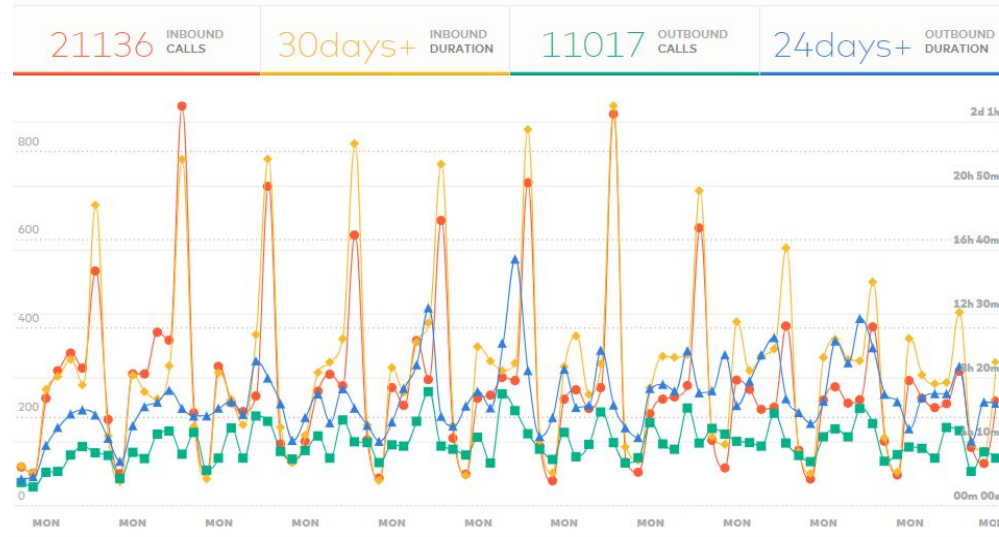
Who are receiving these tax services?

- We target **low to moderate income** households and **limited english proficient** households
- Average annual income of clients is **\$28,000**
- Average household size is **2.86**
- **1 in 3** served are limited english proficient
- Oldest taxpayer was **101**. Youngest **13**
- Largest demographic is hispanic / latino with significant diversity across ethnicities
- **Over 20 different languages** requested for interpretation
- **1 in 4** describe themselves as infrequent tax filers

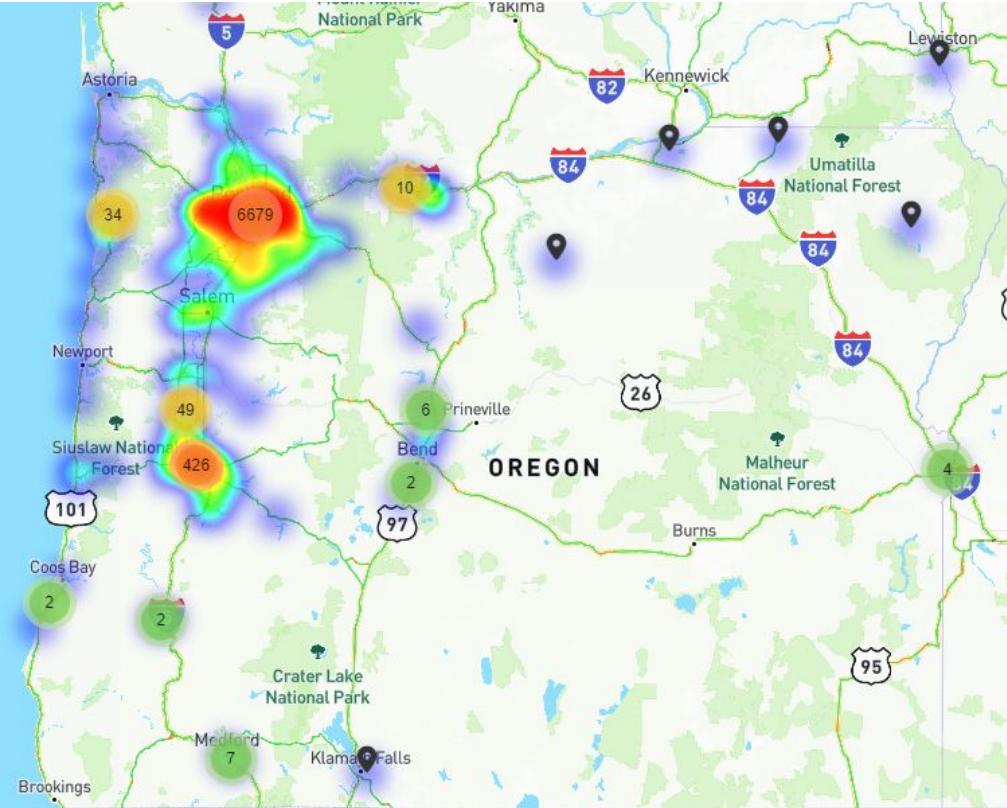


Despite this growth we are not meeting the need

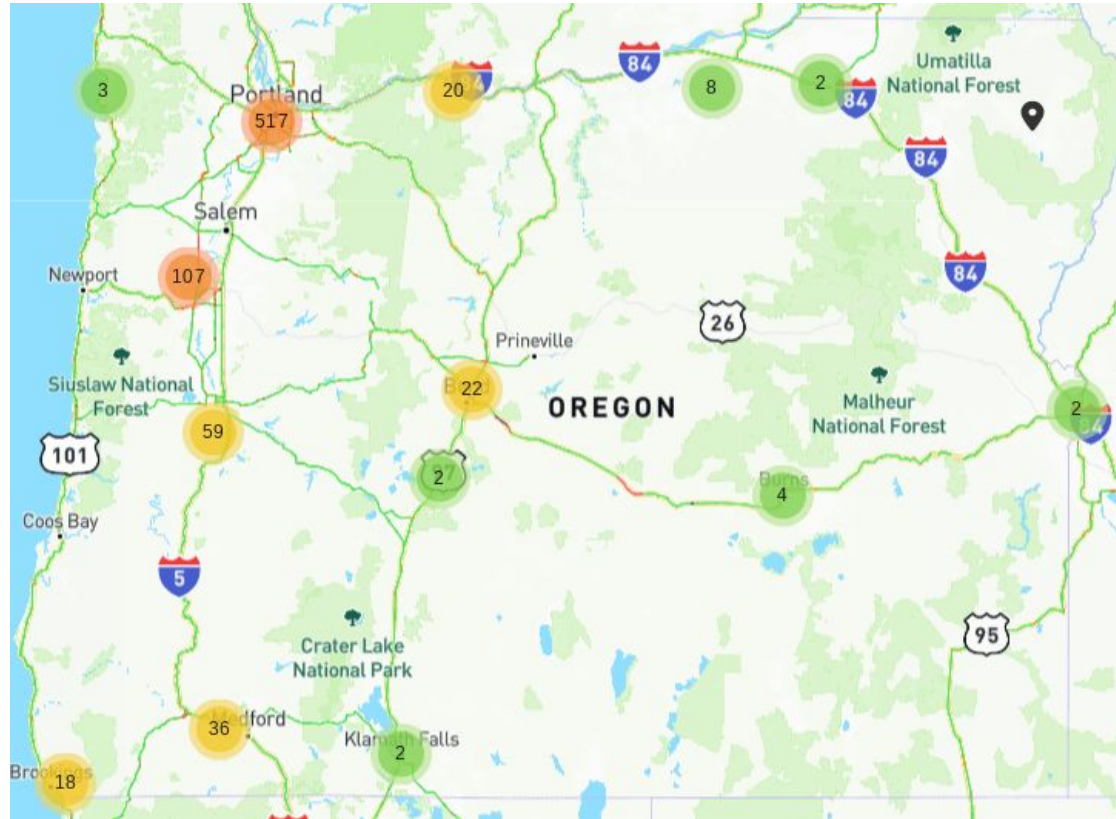
- Estimated that Oregon needs to **complete 64,000 additional EITC eligible tax returns** a year to achieve a 90% participation rate
- From January - April MFS CASH Oregon **received over 20,000 calls** from clients. In same time period we assisted over 9,000 families
- **VITA capacity is underdeveloped**
- Clients travel from across the state to access our services



Clients served in 2024



Volunteers MFS trained across the state



Key partnerships - it takes a village

- Universities
- Credit Unions
- Community Organizations
- IRS, ODHS, & Oregon DOR
- VITA organizations
- Low Income Taxpayer Clinics
- Libraries

What would an expanded TIG budget mean for Oregon?

- MFS estimates we could serve **25,000 families annually** - resulting in estimated annual economic impact of **50 million dollars** for those Oregonian families
- Would broaden **our geographic reach** across Oregon in ability to expand physical offices and increase staffing to help more individuals
- Would build **economic resiliency** of the state in **households that need it most**

Thank you!

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