

## Do You Qualify for Free Tax Preparation?

Find out if you're eligible for free tax preparation assistance and keep more of your hard-earned money.

*by NEA Member Benefits*

It may not be possible, as the old saying goes, to escape death or taxes, but in normal times you could escape the fees charged by tax preparers and still get assistance. The COVID-19 pandemic, however, has necessitated closure of most Volunteer Income Tax Assistance sites and all Tax Counseling for the Elderly sites.

The IRS recommends taxpayers use resources available on the official IRS website. The Free File program (see below) also continues to be available. Free assistance is particularly important for low- and moderate-income taxpayers, who can ill afford pricey advice, but may need help navigating complex IRS rules.

Some filers may owe little to no tax or be entitled to a healthy refund. In addition, they may qualify for the [Earned Income Tax Credit](#) (EITC). This is a so-called "refundable tax credit," which means the government will actually pay you cash for any amount of the credit that exceeds your tax liability. Learn more about [tax credits](#) you may be eligible for.

This is an important benefit—it can top \$6,000 for those with three children—so don't miss out simply because you don't want to pay a tax preparer, or lose part of it because of the fees charged for filing assistance.

Here are ways to file your taxes for free and keep more of your hard-earned money.

### **The Volunteer Income Tax Assistance (VITA) program**

The [Volunteer Income Tax Assistance](#) program is available to those who make \$56,000 or less in income. Volunteers who are trained and certified by the IRS are available at community centers, libraries, schools and other sites to help prepare federal tax returns.

These volunteer preparers can assist you with most types of income reporting: wages and salaries, interest and dividend income, pension and Social Security benefits, simple capital gains and state tax refunds.

Other issues for which they provide assistance include some, but not all, cases for sale of a home, self-employed income, health savings accounts and itemized deductions.

They cannot provide assistance for Schedule C (sole proprietorship business) with losses or complicated capital gains and losses.

VITA services are also available to those with disabilities, the elderly and taxpayers with limited English. Some VITA sites remain open and you can use the [VITA Locator Tool](#) to find them.

### **Tax Counseling for the Elderly (TCE)**

[Tax Counseling for the Elderly](#) (TCE), mainly operated in collaboration with AARP, has been revamped under COVID-19 to include remote assistance under the Tax-Aide program. The [Site Locator Tool on the AARP website](#) is to be updated in early February with further information.

## Free File

Filers with incomes below \$72,000 can take advantage of the [Free File program](#) through the IRS, which makes brand-name tax preparation software available as well as free e-filing. Taxpayers can choose among several participating firms for the software that best fits their needs.

A big advantage to Free File is using the e-filing option and signing up for direct deposit so that you can get your tax refund in a matter of days instead of waiting weeks for a check in the mail.

Those with incomes above \$69,000 can use Fillable Forms through the Free File service. This allows you to e-file your federal return and get a quick refund but it doesn't provide any assistance beyond the directions on the tax forms themselves.

## Additional resources

The [Consumer Financial Protection Bureau](#), an agency created as part of the Dodd-Frank reform act in the wake of the financial crisis, will post updated links each tax season with tools to help taxpayers.

For those who don't qualify for free services, the cheapest option of course is to [fill out the forms yourself](#). For individuals whose only income is the wages or salary reported on a W-2, it is actually not that difficult.

Those with more complicated returns may want to seek the assistance of paid tax preparers. However, there are [various online programs](#) that are not prohibitively expensive and which lead you through the process rather painlessly.

As an NEA member, you can earn cash back when you purchase tax prep products and services, such as TurboTax, H&R Block and more, through [NEA Discount Marketplace](#). Look under "Office Supplies," then click on "Tax Preparation" to find related offers.