

House Ways & Means Subcommittee on Oversight**Testimony of AARP Foundation Tax-Aide****Hearing on Free Tax Preparation Services During the Pandemic****Lynnette Lee-Villanueva, Vice President and National Director, AARP Foundation Tax-Aide****February 18, 2021**

Good afternoon and thank you for including AARP Foundation in this very important discussion. Chairman Pascrell and Ranking Member Kelly, we appreciate the opportunity to share with the subcommittee information about AARP Foundation Tax-Aide and our service to the American taxpayer. I am Lynnette Lee-Villanueva, Vice President and National Director for Tax-Aide.

Background

AARP Foundation's vision is a country free of poverty, where no older person feels vulnerable. We work to end senior poverty by helping vulnerable older adults build economic opportunity and social connections. As AARP's charitable affiliate, we serve AARP members and nonmembers alike. Through vigorous legal advocacy and evidence-based solutions, and by building supportive community connections, we foster resilience, advance equity and restore hope.

Helping older adults preserve as much of their existing income as possible is an important part of our mission to increase economic opportunity. AARP Foundation Tax-Aide is one of the ways we accomplish that. Our nationwide tax preparation program is aimed at people 50 and older and those who have low to moderate incomes, and Tax-Aide is open to anyone free of charge. Tax-Aide is the nation's largest free, volunteer-based tax assistance and preparation program, administered in conjunction with the Internal Revenue Service. Started in 1968 with just four volunteers at one site, Tax-Aide relies on volunteers, who make a difference in their communities by assisting many older, lower-income taxpayers who might otherwise miss out on the credits and deductions they've earned.

With funding support from the Tax Counseling for the Elderly (TCE) and Volunteer Income Tax Assistance (VITA) grants, as well as from AARP Foundation, AARP Foundation Tax-Aide has assisted more than 68 million people since the program began.

Tax-Aide's over 36,000 volunteers in all 50 states and the District of Columbia typically serve in approximately 4,800 Tax-Aide sites from February 1 to mid-April. AARP Foundation Tax-Aide volunteers go through rigorous training and pass an IRS certification test each year to ensure they know about and understand the latest changes and additions to the U.S. Tax Code. Typically, the program helps over 2 million people navigate complicated tax codes, ensure proper credits and deductions, and file their federal and state tax returns.

In addition to providing tax preparation services, Tax-Aide volunteers act as interpreters, technology specialists, program administrators, and site leaders, among others.

Tax-Aide volunteers have a proud tradition of giving back to the communities in which they live. On average they spend about six years in the same volunteer role and many of our volunteers have stayed with the program for more than 20 years.

"I got hooked." That's how a Birmingham, Alabama, resident and State Coordinator for Tax-Aide described becoming a volunteer. A former accountant, he initially thought volunteering a day or two a week would fill the empty winter hours. "The taxpayers are so grateful. It makes you feel really good to be able to deliver that service to people who appreciate it that much," he says. "It's really satisfying to know that, as a volunteer, you are improving the quality of life of people in the community."

Program management and oversight, including policy, operational, and administrative guidance, are provided by 18 professional program staff based in Washington, DC. A network of AARP state offices around the country assists volunteers with local recruitment and promotion support to reach target audiences, including those age 50 and older, multicultural populations, homebound and disabled, to name a few. We also have initiatives in place to serve diverse communities in underserved rural and urban areas.

AARP Foundation Tax-Aide is consistently well regarded by taxpayers. According to the 2020 AARP Foundation Taxpayer Satisfaction Survey, the vast majority of respondents — 94 percent — stated that they were very satisfied with the service.

In addition, AARP Foundation Tax-Aide staff and volunteers work closely with the IRS, specifically with the Stakeholder Partnerships, Education & Communication (SPEC) team, which is the outreach and education arm of the Wage and Investment Division of the IRS.

With the advent of COVID-19, from early 2020 to now, AARP Foundation Tax-Aide has adapted by providing new services to help people avoid missing out on the tax credits and deductions they've earned, while staying safe during the pandemic. The health and safety of program volunteers and taxpayers remains AARP Foundation's top priority.

Tax Preparation and COVID-19 in 2020

For more than 50 years, AARP Foundation Tax-Aide has provided traditional face-to-face tax preparation and assistance service in neighborhood locations such as libraries, malls, banks, community centers, and senior centers. Space for tax preparation is provided rent-free thanks to local partners that donate their space, and, in some cases, they also help with administrative activities and program promotion. We often hear from our volunteers that if it weren't for the local organizations and community facilities that donate for the Tax-Aide service – many of which have had to shut down temporarily due to COVID – volunteers would not be able to serve those in need. Taxpayers have access to Tax-Aide locations that are open by appointment only, as walk-in sites, or a combination of both. This is how Tax-Aide operated through the first half of the 2020 tax season.

On March 16, 2020, AARP Foundation Tax-Aide suspended operations due to the coronavirus pandemic. Tax-Aide volunteers and staff quickly stood up online services in which taxpayers would prepare their own returns with assistance from an IRS-certified Tax-Aide volunteer via screen-sharing platforms. Tax-Aide also provided access to free software where taxpayers could complete returns on their own, unassisted, and re-opened a small number of in-person sites where there was the ability to do so safely—continuing to provide service through the extended July 15 filing date.

Volunteer and taxpayer feedback indicated that, at a time during which tax service was difficult to find at the height of COVID, these were valuable and needed services. An 80-year-old taxpayer from NJ who completed her first tax return on a computer with the help of a volunteer coach stated “I can't believe I actually completed a tax return on the computer. Thank you for being so patient.” And, a

California-based volunteer indicated “people appreciated that AARP found a way to help them notwithstanding the unplanned and lengthy shutdowns.”

In the unusual year of 2020, 1.5 million taxpayers who used AARP Foundation Tax-Aide received more than \$1 billion in income tax refunds. By comparison in 2019, over 2.5 million taxpayers who used AARP Foundation Tax-Aide received \$1.4 billion in income tax refunds and more than \$200 million in Earned Income Tax Credits.

The feedback Tax-Aide received from taxpayers during this time was that they were thankful they had a place to go to get assistance. One of Tax-Aide’s volunteer leaders indicated that, “During COVID-19, if there was ever a question whether Tax-Aide is important...now we know.”

Tax Preparation and COVID-19 in 2021

During the end of the 2020 tax season and leading up to 2021, Tax-Aide volunteer leaders and staff continued to work hard and explore ways to expand tax preparation service methods that volunteers could implement. The lessons learned in 2020 helped Tax-Aide build steppingstones to expand the program’s reach and capabilities for this current season and beyond. Volunteer working groups—with input from Tax-Aide staff, AARP and AARP Foundation risk management, technology, and operations teams, and the IRS—mounted a remarkable effort that has led to service options from in-person (where safe), to low-contact, to no-contact models.

Beginning this month, AARP Foundation Tax-Aide is providing free tax assistance and preparation, including new low-contact and contactless virtual services for taxpayers concerned about the spread of COVID. Access to these services depend on volunteer availability and COVID restrictions in each locality. This year, tax assistance is available by appointment only to help protect Tax-Aide clients and volunteers. These include:

- **Self-preparation:** Tax-Aide provides consumers with access to software to prepare their own taxes, and if needed, a Tax-Aide IRS-certified counselor can coach them through the process by phone and through computer screen-sharing. This service is free for qualifying taxpayers, as determined by the taxpayer’s Adjusted Gross Income, and other criteria.

- **In-Person:** In Tax-Aide's modified in-person service, taxes are prepared and filed by IRS-certified tax counselors — with strict physical distancing measures in place. The number of locations is limited this season, and public health precautions may delay openings or limit the number of appointments available.
- **Low-Contact:** Taxpayers interact with IRS-certified Tax-Aide volunteers in one or two short, in-person meetings to exchange documents.
- **Contact-Free:** Taxpayers interact with Tax-Aide's IRS-certified tax counselors online and by phone and exchange documents electronically and securely.

There has been extraordinary demand for free tax preparation – over 100,000 inquiries since January 2021 – on many fronts, including via our website (www.aarpfoundation.org/taxaide), the AARP Contact Center, and AARP State Offices. Also, many volunteers indicate they are at or near service capacity, as additional localities will start offering services within the next few weeks.

Closing

We recognize that AARP Foundation Tax-Aide's free tax service has not only served to provide peace of mind to low-income taxpayers during tax time, but has also provided a vital role for the volunteers helping them—especially during this pandemic. Last year, 2020, allowed Tax-Aide – including its dedicated volunteers – to pivot the program beyond our traditional in-person service and explore new ways to serve those who need us most going forward.

As we start the 2021 tax season. AARP Foundation Tax-Aide staff and volunteers look forward to measuring success and exploring lessons learned in order to continue to build on these models to help taxpayers nationwide.

We will continue to strive to provide accurate returns and compassionate service to those who need it most by helping them preserve as much of their existing income as possible. Thank you for the opportunity to provide input. We look forward to working with you.