

Congress of the United States
Washington, DC 20515

May 19, 2011

The Honorable Jo Ann Emerson
Chairman
Appropriations Subcommittee on Financial
Services and General Government
B-300 Rayburn House Office Building
Washington, DC 20515

The Honorable José E. Serrano
Ranking Member
Appropriations Subcommittee on Financial
Services and General Government
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairman Emerson and Ranking Member Serrano,

As you begin your work on the Fiscal Year 2012 Financial Services and General Government Appropriations bill, we urge you to include an appropriation of \$15 million to expand and strengthen the services provided to low- and moderate-income taxpayers through matching grants to Volunteer Income Tax Assistance (VITA) centers.

VITA centers provide free tax preparation services to underserved populations in all 50 states and the District of Columbia, as well as opportunities to access financial education, information on building savings, and other essential services and supports offered in the community. During the 2009 tax season, nearly 48,000 VITA volunteers prepared basic tax returns for low income taxpayers with a focus on specific underserved groups, including first-time taxpayers, persons with disabilities, rural taxpayers, the elderly, Native Americans and individuals with limited English proficiency. VITA centers prepared 1.7 million tax returns across 6,468 sites and brought back approximately \$1.6 billion in tax refunds to taxpayers whose adjusted gross income averaged \$18,800.

Despite continued federal investment, demand for VITA grants continues to outstrip availability. Although 379 centers requested over \$33 million in grants in 2010, the Program was able to award funds for only 147 of these applications. With continued challenges for state budgets and the number of qualifying taxpayers increasing due to high unemployment, we anticipate that the need for these services and associated funding requests will only increase. Accordingly, we request a modest increase in FY2012 funding for the Program so that existing and additional VITA centers will be equipped to meet this demand.

Building on past success, sustained federal support for the nation's VITA programs will:

- Increase working families' understanding and claims of existing tax credits, such as the EITC;
- Help provide guidance to communities traditionally underserved by mainstream financial institutions in moving from nontraditional and high-cost financial instruments, such as currency exchanges and payday loans, to more affordable and traditional options, such as accounts at established banks and credit unions;
- Improve tax compliance by low- and moderate-income households; and
- Expand the use of e-filing by modest-income taxpayers, thereby significantly decreasing IRS costs associated with paper return processing.

The VITA program's benefits for low- and moderate-income taxpayers are clear. We appreciate your past support of this program and respectfully urge you to include a \$15 million appropriation for VITA matching grants in the FY2012 Financial Services and General Government Appropriations bill. Thank you for your consideration of this important matter.

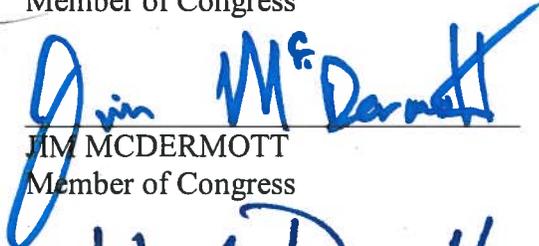
Sincerely,



XAVIER BECERRA
Member of Congress



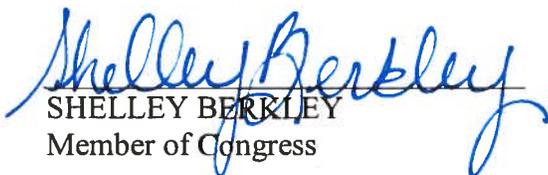
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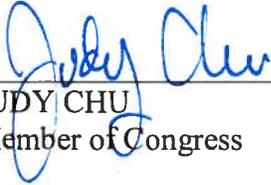
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JUDY CHU
Member of Congress



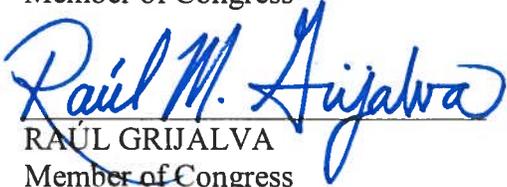
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CHARLIE GONZALEZ
Member of Congress



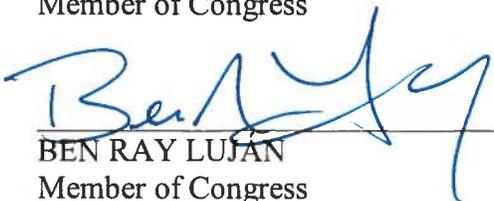
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RUSH HOLT
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BEN RAY LUJAN
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HOWARD BERMAN
Member of Congress



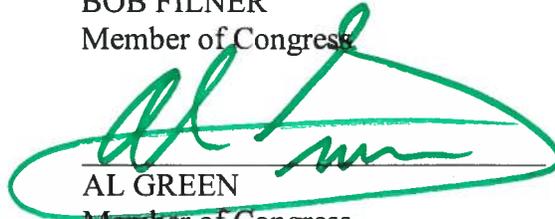
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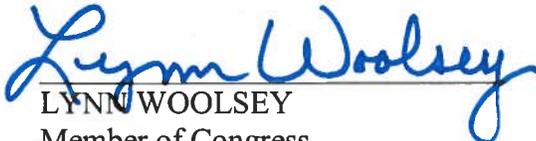
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