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Service Based Learning of Income Taxes

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Service Based Learning of Income Taxes

Britny Andersen – Accounting



What is the VITA Program?

FREE tax help to community by CERTIFIED volunteers

Eligible Taxpayers?

Income << \$54,000

Disabled people

English as 2nd language

Elderly

Funded through IRS grant programs



Methods

Service learning – My Experience

- Volunteered 7 hours per week
- Completed 5-10 tax returns a week
- Prior to preparing income tax return, interviewed clients for pertinent income tax information
- Researched unfamiliar tax issues
- Communicated tax return results to the client

Introduction

The technical and communication skills of income tax preparation is best learned through hands on experience.

By volunteering at the Volunteer Income Tax Assistance (VITA) site in South County Rhode Island, I strengthened my tax return knowledge from my coursework and was able to serve the community. In particular, I felt a sense of satisfaction in educating the tax clients.

Academic Benefits

Tax Knowledge

- Tax returns are similar but also different
- Tax laws seem stable, but application may differ as applied to individual circumstances.
- Additional research is sometimes required depending on the circumstance

Communication

- The clients at the VITA site were diverse
- My communication had to be tailored to individual clients; some clients (such as the disabled and English as 2nd language) needed a relatively simple discussion
- It was challenging to explain why a low-income tax payer owed additional taxes to the government.

Community Benefits

Client Education

- By educating the tax clients about their issues, they can make more educated financial decisions related to income tax.
- They are also better prepared for future income taxes.

Money Savings

- The preparation of the tax returns by IRS-certified preparers makes it more likely clients will submit an accurate tax return.
- Without this service many people might not submit a return at all, even though they are supposed to do so.
- As seen through the graphic below of the returns I have completed at the VITA site, I estimate that I have saved individuals a total of \$8,962 in preparation fees.



Takeaways

Original Hesitation: Preparing income tax returns
Am I really prepared to file actual income tax returns?

Bigger challenge was communication
Diverse population:

Good news – people like to hear about refunds
Bad news – people do not like owing taxes

FINALLY, the most rewarding aspect:

Sheer Gratitude

Clients are grateful to college students volunteering
Seeing people relieved that the burden of preparing their taxes is gone



Literature Cited

About Form 1040, U.S. Individual Income Tax Return. (n.d.). Retrieved 2018, from <https://www.irs.gov/forms-pubs/about-form-1040>

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