

TAX TOPICS

How To Save Money On Your Taxes

(NAPSA)—You may be able to save money on your taxes this year. According to the IRS, 60 percent of taxpayers are using a paid tax preparer but may qualify for other options.

If you earn less than \$49,000 a year, you can get free tax preparation services from a volunteer tax preparer at any of the hundreds of Volunteer Income Tax Assistance (VITA) sites around the country. These sites are run by nonprofit organizations, such as United Way, and supported in part by Bank of America.

Over the last several years, the bank has invested \$4.5 million to support and expand these volunteer-assisted free tax preparation efforts. It also encourages its employees to volunteer at sites, preparing taxes or delivering financial education that aids consumers with issues that are a struggle today—like building emergency savings or understanding and managing credit. It's part of the bank's ongoing efforts to help working individuals, families and communities achieve greater financial stability.

Qualifying for Tax Credits

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low- to moderate-income working individuals and families. When the credit exceeds the amount of taxes owed, it results in a tax refund to those who qualify for and claim the credit.

Multiplying Dollars in the Community

The tax credit not only benefits the families that claim it, but their communities as well. Research conducted by the Brookings Institution shows that EITC



Some people can get their taxes prepared at no cost and that can help boost the whole country's economy.

dollars stimulate state and local economies through a “multiplier” effect. Every \$1 in returned taxes to taxpayers generates \$1.50 locally.

To encourage that kind of economic improvement, the bank helped launch United Way's national financial stability work, including its efforts to expand EITC outreach, free-tax preparation and One Stop Financial Stability Centers.

These programs have returned almost \$2 billion in total tax refunds to lower-income working families, who use those dollars to purchase necessities such as food, clothing and utilities. These expenditures fuel the local economy, benefiting both the families that get the refunds and the communities in which they live.

More Help

If you earn more than \$49,000 but less than \$57,000 annually, you can still file your federal and state taxes free. Dial 2-1-1 to locate a VITA site near you or visit <http://liveunited.org/FreeTaxPrep>.