

2005 TAX SEASON – FOODCHANGE IS #1 FREE TAX PREPARER IN THE U.S.

During the January-April 2005 tax season, FoodChange completed 37,000 free tax returns for Fiscal Year 2004, a 51% increase over the number completed a year earlier (Table 1). The tax refunds secured for our clients totaled \$70.4 million, a 52% increase over 2004. Once again, the Earned Income Tax Credit (EITC)—a refundable tax credit that may be worth up to \$5,805 for working low-income individuals and families—accounted for approximately half the tax refunds we captured for our clients.

Table 1: FoodChange - Free Tax Preparation Services

Year	Returns	Tax Refunds	
		Total	EITC
2003 (FY 2002)	9,650	\$18 million	\$ 9 million
2004 (FY 2003)	24,500	\$46 million	\$23 million
2005 (FY 2004)	37,000	\$70 million	\$36 million

To qualify for free tax assistance, households with children may earn no more than \$40,000 and households without children no more than \$20,000. New York City residents meeting these criteria could go to one of FoodChange’s 12 “Money Central” tax sites. In 2005, FoodChange operated these sites (two more than in 2004) in the following locations:

- Manhattan: Harlem, Washington Heights, and Midtown;
- Bronx: Fordham Road, Hunts Point, and South Bronx;
- Brooklyn: Downtown, Sunset Park, and Bedford Stuyvesant;
- Staten Island: Saint George; and
- Queens: Jackson Heights and Jamaica.
- In addition, a mobile tax preparer visited inaccessible, remote neighborhoods to assist residents in these areas.

According to an interim Internal Revenue Service (IRS) report, FoodChange was, for the second consecutive year, the largest civilian free tax preparer in the nation. We ran the first, second and third largest civilian free tax preparation sites in the U.S (Table 2).

Table 2: Leading Civilian Free Tax Sites in U.S.— 2005

Rank	Site	Returns completed
#1	Harlem	6,305
#2	Bronx (Fordham Road)	4,245
#3	Brooklyn (Downtown)	4,203

Analyzing the different geographic areas, the IRS report also indicates that FoodChange alone processed 75% of all EITC returns completed at free tax assistance sites in the New York City Territory, but had only 13% of all errors. Nationwide, FoodChange completed 4.23% of all the EITC returns processed, and accounted for a mere one-half of one percent of the errors. The low error rate reflects the rigorous training of our paid preparers, the dedication of our volunteers, and the quality of our control procedures.