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HB 215

Written Testimony of Kelly Hart
Montana Legal Services Association
Helena, Montana
Proponent for HB215

Hello, my name is Kelly Hart. For the last two and a half years, I was the Economic Advocacy Coordinator with Montana Legal Services Association in Helena, where I helped build financial resources for low-income Montanans. Montana Legal Services supports this bill.

Montana Legal Services collaborates with the Montana Department of Revenue, Rural Dynamics Incorporated, and Montana's Credit Unions on a website called MontanaFreeFile.org. This website provides information about various free tax filing services like Volunteer Income Tax Assistance sites, Tax Counseling for the Elderly sites, and an online program called I-CAN! E-File. Montana Legal Services has been promoting the I-CAN! E-File program for the last six years.

Since we began outreach on the I-CAN! program, over 5,500 Montana returns have been filed. This has brought nearly \$6.9 million in refunds to the state, half of which came from the federal Earned Income Tax Credit. The I-CAN! program is free to use and does not use Refund Anticipation Loans. Users may choose to have their refunds directly deposited into their accounts.

According to a recent press release issued by the National Consumer Law Center, nearly two-thirds of Refund Anticipation Loan borrowers are families receiving the Earned Income Tax Credit, which is a credit for low-income working families and is known to be this nation's most effective antipoverty program.

The organizations that we partner with to promote free tax filing services do not have enough funding to compete against commercial preparers. As such, outreach is limited in scope and size. For a short time each year, we get the word out about MontanaFreeFile.org by sending letters to social service organizations, providing post cards to food banks for their food baskets, and running PSAs on television and the radio.

In these tough economic times, Montanans deserve to know about their tax filing options and the costs associated with their choices. Please support our working families by supporting this bill.