

Helping Michigan Taxpayers Keep More of What They Earn

Free Tax Preparation Fast Facts

- Free tax preparation services, like Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE), are offered by **local community-based organizations** at **no cost** to low- and moderate-income residents.
- These services are crucial for increasing the uptake of the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), but they are often **underfunded** and **under-resourced**.
- In the last tax season, **over 653,000** Michiganders received the Michigan EITC, with an **average credit of \$836**.
- Despite this, **nearly 1 in 5 eligible workers do not claim the EITC**, meaning about 160,000 Michiganders—and their families—missed out on these important funds.
- Free tax preparation services are provided at no cost, unlike paid preparers who charge an average of \$220 per basic return.

Through sustained annual funding of \$5 million, the State could expand local capacity, optimize statewide efforts, and boost tax time impact for hard-working Michiganders.

How is funding utilized?

- A majority of the funding is allocated to grants for existing and emerging local sites, enabling them to provide free tax preparation services to their communities
- Local sites use a majority of the funding to pay rent at new sites, enhance volunteer management, invest in more secure technology, and more!
- The remaining funds will cover statewide marketing, communications, training, service coordination, grants administration, and other capacity-building efforts to maximize impact

The Case for Free Tax Prep

- **Free tax prep providers are IRS-trained and certified to help filers claim every credit available to them.** It's unsurprising that on average, volunteer professionals are actually more accurate than paid preparers.
- **Free tax prep providers provide their services at no cost.** Filers don't have to worry about surprise fees at any point in the process. State grantees saved Michiganders approximately \$10 million in 2024.
- **Free tax prep providers' local partnerships build trust.** Local referral partners are an effective strategy for raising awareness about these services.
- **Free tax prep providers' service models emphasize accessibility and client experience.** Sites provide varying hours, locations, and service modalities (e.g., in-person, virtual, hybrid) to best meet the needs of their community.

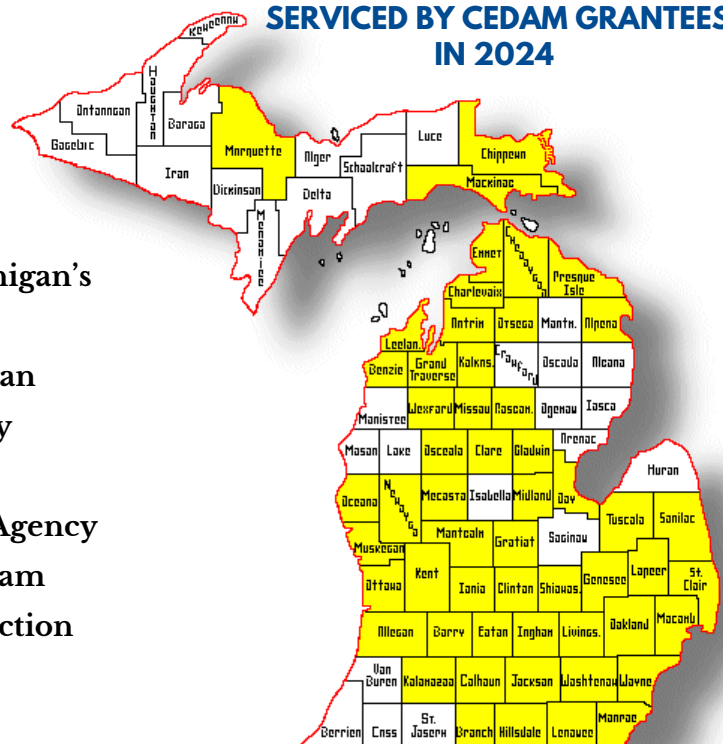
How State Investment is Making a Difference

Thanks to funding appropriated by the Michigan legislature, CEDAM has awarded **expansion grants to 17 local organizations** offering free tax preparation services for the 2025 filing season. These grants are designed to support initiatives that will sustainably grow the capacity of Volunteer Income Tax Assistance (VITA) programs across the state. The awardees are focused on serving their local communities, with sites located throughout both Michigan peninsulas—covering both rural areas and urban centers.

Below are the organizations that were awarded grants for the 2025 filling season:

1. Accounting Aid Society
2. Barry County United Way
3. Cheboygan VITA
4. Community Action Agency
5. Devota Advocacy Services
6. Goodwill Industries of Central Michigan's Heartland
7. Goodwill Industries of West Michigan
8. Heart of West Michigan United Way
9. Macomb County Veteran Services
10. Mid Michigan Community Action Agency
11. Monroe County Opportunity Program
12. Northwest Michigan Community Action Agency
13. The SOURCE
14. United Way of Lapeer County
15. United Way of Marquette County
16. United Way of South Central Michigan
17. Wayne Metro Community Action Agency

MICHIGAN MAP OF COUNTIES SERVICED BY CEDAM GRANTEES IN 2024



*The 17 organizations awarded grants cumulatively service the counties highlighted in **yellow** in the map above.

During the 2024 filing season, 12 local organizations were awarded a grant to expand free tax preparation services! They serviced 45,556 households, putting about \$56 million back in Michiganders' pockets.

Supporting free tax prep providers works!