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Time is of the Essence: Seize the Opportunity for Fulfillment in 2009

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NEWSQUARTERLY

FOCUS ON PRO BONO

Time is of the Essence: Seize the Opportunity for Fulfillment in 2009

By Francine J. Lipman*

Fifty-three percent of workers worldwide surveyed in 2008 reported they would rather work and earn less, but have a happy, stress-free, fulfilling life. For the 78 million baby boomers and their pre- and post-boom colleagues this desire has resulted in a phenomenon that has been labeled "encore jobs." See Marc Freedman, *ENCORE: FINDING WORK THAT MATTERS IN THE SECOND HALF OF LIFE* (Perseus Book Group 2007); Richard J. Leider & David A. Shapiro, *SOMETHING TO LIVE FOR: FINDING YOUR WAY IN THE SECOND HALF OF LIFE* (Berrett-Koehler Publishers 2008). As these idealistic youth of the 1960s find themselves approaching, reaching and passing 60, they are looking for opportunities for fulfillment in the second act or "encore" of their lives. I suspect that many of you are more than ready for or contemplating your own encore performance.

The desire for fulfillment is not exclusive to the exploding population of pre-, post- and current Boomers. Indeed, pro bono is now a "hot area of legal practice." A recent analysis of emerging trends in the legal industry states that pro bono practice has become a great way to recruit new lawyers, provide professional development and give back to the community. *Memo from ABA Market Research Department Director Laura Metzger to Law School Deans* (June 2008) recounting the Hot Practice Areas found by Robert Denney in late 2007. The Section of Taxation recently announced its first pro bono fellowships

for recent law school graduates or judicial clerks for work in tax-related public service organizations. See <http://www.abanet.org/tax/press/2008/PublicServiceFellowshiprelease8-08.pdf>.

So in the wise, wistful, whiney words of the iconic 1960s anti-hero Woody Allen, now 72, "Do something. The years will pass by and you'll be disappointed. . . The trick is to engulf life."¹ As 2008 makes its way into the history books and 2009 promises change and hope, this essay will present an opportunity for fulfillment tailored especially for tax professionals. In the haunting words of advice from Randy Pausch's

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¹ Notably 74% of Americans believe in life after death. Pew Forum on Religion & Public Life, U.S. Religious Landscape Survey (August 2008) available at <http://religions.pewforum.org/reports>. When Woody Allen was asked what he believes he will come back as when he's reincarnated, he responded: "I always thought a sponge."

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2009 MIDYEAR MEETING
January 8-10 • Sheraton New Orleans
See page 2 for details.

TAXATION
A Section of the American Bar Association

courageous “Last Lecture”—embrace your dreams and seize opportunities for their fulfillment.

A Tax Tailored Opportunity for Fulfillment: Volunteer Income Tax Assistance (VITA)

VITA was established in 1970 to partner with community-based institutions and volunteers and help them help others. This “thirty-something” program administered by the Service provides free preparation and e-filing of their annual income tax returns to low-income and special needs taxpayers, including persons with disabilities, non-English speaking persons and elderly, rural and Native American taxpayers.

During the last five years the VITA program has achieved great growth and success. VITA volunteers have increased the number of tax returns filed by almost 44% and the number filed electronically by almost 82%. In fiscal year 2007, more than 43,000 VITA volunteers prepared more than 1,200,000 tax returns. Almost 90% of the tax returns prepared by VITA volunteers in 2007 were electronically filed. The IRS attributes this tremendous success to a new focus on leveraging the benefits and resources of community based partners, including universities, faith-based, financial and non-profit organizations.

Historically, the government has supported VITA programs solely with in-kind materials. Qualifying VITA sites receive free tax preparation and e-filing software, tax law and coordinator training materials, tax law reference materials and a handy plastic bag to hold these comprehensive and hefty materials. On a very limited basis, the Service has been able to provide tax-season use of computers and printers. The Community VITA Grant program enacted in 2007 will allow it to offer funding in addition to in-kind support to approved applicants.

The recent expansion of this tax tailored opportunity for fulfillment results

from persistent demands from numerous low-income taxpayer advocates across the country, including the very determined and effective National Taxpayer Advocate Nina Olson. In late 2007 Congress responded to these demands and appropriated \$8,000,000 to establish a grant program for Community VITA. For more information on the New VITA Grant Program see the IRS website at www.irs.gov/individuals/article/0,,id=184243.00.html or the VITA Grant Program Overview and Application Package, Publication 4671 at www.irs.gov/pub/irs-pdf/p4671.pdf.

The new Community VITA grants, similar to the grants for Low Income Taxpayer Clinics, are contingent upon approved applicants' provision of matching funds. As a result at least \$16,000,000 (in addition to in-kind support) will be allocated to VITA programs in 2009. The grant program as established is funded for one year; the funds granted must be used in full by September 30, 2009. I am very hopeful that Congress will continue its commitment to assist low-income taxpayers with the onerous high cost of tax compliance and fund this program for subsequent years. I am also hopeful that you will add your voice to mine supporting this effective, fulfilling and life-changing program. VITA needs you and you may need VITA.

VITA = Life

VITA means “life” in Latin and Italian. “Life” is a perfect description of the breadth and depth of encounters volunteers enjoy from VITA. But like most opportunities, time is of the essence: as the New Year fast approaches, so do VITA opportunities. VITA programs kick off early so that low-income taxpayers anxious to receive their precious tax refunds will not be forced to use paid tax preparers or high interest rate refund anticipation loans. Despite these targeted VITA efforts, almost 70% of low-income taxpayers have used paid preparers and spent billions of dollars on tax preparation products and services.

VITA and Me

I have had the privilege of partnering with the Service in their efforts to assist low-income taxpayers for ten tax seasons. However, VITA, like many pro bono opportunities, takes a village. As a teacher, I have the luxury and pleasure of teaming with student VITA volunteers. While our student volunteers do not receive academic credit, they receive a priceless learning experience about life and tax compliance and the complexity of our federal and state tax systems. These long-lasting lessons open their young eyes, ears and hearts to the importance and challenges of tax law and public service.

Shortly after passing a required exam, students sit down with their clients and quickly develop and refine their client-interviewing skills. Students learn how to instill confidence and trust in their client relationships, with a diverse client base often including seniors who are several times older than the volunteers. Because tax compliance is a complicated human experience, students must ask many personal questions about each client's family structure, age and sources of income and support. They must assimilate information from many different types of client documents and promptly formulate and ask critical follow-up questions. They learn how to ask probing questions respectfully and politely to gather the necessary information in the least intrusive manner.

After gathering the information, the students prepare the client's federal and state tax returns using Service-provided tax software. Once properly processed, volunteers explain the final tax returns to their anxious clients. If a tax liability is due or a refund is not as significant as expected, students must effectively explain the reasons for the unexpected tax liability (e.g., changes in the law or circumstances from one year to the next) to their frustrated and sometimes emotional clients.

Often in these discussions, volunteers learn about the financial hardships of the working poor and get to know the

people, including the children, behind the numbers on the tax forms. Volunteers hear first-hand about the challenges of daily life for millions of low-income Americans and see how our tax system delivers cash refunds to supplement poverty level incomes. Students also witness the importance of retirement benefits for many senior citizens and grasp how critical it is to save for retirement or "rainy days." These valuable lessons are learned from face-to-face and often heart-to-heart interactions.

The VITA program creates a wonderful win-win-win situation, especially in a university setting. Student volunteers learn the substantive nuances of tax law and its application in a real world setting. Students also experience the stress and pressure of meeting time sensitive deadlines and learn how to work with clients very efficiently. They witness the pressing demand for public service and embrace its priceless rewards. Volunteers leave the experience exhausted after April 15th, but enriched in many enduring ways.

Low-income taxpayers also receive a multi-faceted and valuable service. In addition to free tax preparation and

e-filing providing fast refunds, university-based VITA programs provide a rare opportunity for low-income neighbors to experience a college campus. On countless occasions, I have talked with young children and their parents about the importance of education. I tell them I look forward to the day they sit in my classroom and volunteer with me to help others.

Finally, as a scholar and an advocate I am very interested in tax issues facing low-income individuals. The VITA program gives me the opportunity to witness and encounter these issues in a living, breathing and very rewarding hands on environment. Reflecting on my VITA participation, I know that I have gained much more than I have given, including lasting friendships with generous students, government outreach personnel and clients; witnessing inspirational courage, perseverance and humor in the face of extreme adversity; and in a small, but meaningful way giving back to the community by easing some of the strife in the lives of those whose circumstances are often very challenging. I feel privileged and fulfilled to have seized this opportunity.

VITA and You

If you too are looking for fulfillment, consider supporting the new grant program and becoming a VITA volunteer this tax season. The Tax Section's Pro Bono Committee has made it very easy for you to navigate the volunteer process with its user-friendly website (www.abanet.org/tax/vita/). This website includes VITA resources, including links titled "How to Volunteer," "VITA Locations," "Training" and "TaxWise" (the free tax preparation and e-filing software provided by the IRS). Last year as part of a new initiative Tax Section volunteers assisted in the training of VITA volunteers who were scheduled to prepare tax returns on military bases in the Metropolitan Washington, DC, area. At a recent Tax Section meeting, Pro Bono Committee volunteers recounted that they truly enjoyed serving in VITA and also had the opportunity to learn about some new and old tax provisions unique to members of the armed forces. But that is the topic of another article. For now cherish and seize the VITA opportunity for fulfillment. ENCORE! ■



Michigan State University Law Students Tackle Hurricane Katrina Victims' Tax Problems

By Drew M. Taylor*

For most Michigan State University (MSU) law students, it is safe to say that a well-spent spring break is not spent filing other people's tax returns. But for a group of MSU Law students and their professors, this year's spring break meant just that.

A group from MSU traveled to New Orleans to take part in an "Alternative Spring Break" Tax Outreach organized by MSU Professor Michele LaForest Halloran, director of the Tax Clinic.

"The goal of this project is to ensure that low-income residents take advantage of all available federal and state tax credits they are eligible for, so they have

the monetary resources to help rebuild their lives," Professor Halloran said.

Some students, all too eager to shed their winter coats, appreciated the opportunity to enjoy the weather the

* Michigan Department of Attorney General, Lansing, MI.