



OFFICE OF GOVERNOR PAT QUINN

NEWS

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Governor Quinn Announces Free Tax Preparation Assistance for Working Families

Encourages Taxpayers to Take Advantage of Earned Income Tax Credit, Avoid Costly Refund Anticipation Loans

MARION – January 21, 2010. Governor Quinn today announced partnerships that will give Illinois' working families access to free tax preparation assistance, including help with filing for the Earned Income Tax Credit (EITC). The Governor encouraged taxpayers to utilize the free assistance as they file their income tax returns, receive the tax credits they've earned, and avoid refund anticipation loans that can consume big chunks of hard-earned refund checks.

"The Earned Income Tax Credit is the best pro-job, pro-family and anti-poverty tax relief ever devised, and every eligible family in Illinois should receive the full credit," said Governor Quinn. "I am proud to announce free tax preparation assistance to help Illinois' working families get their full refunds quickly and painlessly."

State partnerships with the Center for Economic Progress' Tax Counseling Project and Ladder Up (formerly the Tax Assistance Program) will offer free tax preparation assistance and e-filing for families across Illinois. Services are free for families who earned under \$50,000 and individuals who made less than \$25,000.

Through the partnerships, volunteer tax counselors will provide free tax assistance and counseling at 55 sites throughout the state. Most sites will provide services from January 23 through April 15. Governor Quinn made today's announcement at the Man-Tra-Con Corporation in Marion, which will serve as a Center for Economic Progress site. (A full list of locations is attached.)

Taxpayers can walk in to any of the locations, without an appointment, and work with trained volunteers who will help fill out their returns and make sure they file for all the credits, deductions and other benefits to which they're entitled. Last year the Tax Counseling Project completed more than 33,300 tax returns with refunds totaling \$52.2 million. Ladder Up helped with more than 9,000 returns totaling \$15.5 million in refunds.

Families raising two or more children in their home can get up to \$5,028 from the federal EITC with earnings of less than \$45,295 (married, filing jointly). Illinois residents who claim the federal EITC may also receive the state EITC, which can save them up to \$283.

Governor Quinn also encouraged residents to avoid the high cost of refund anticipation loans (RALs) offered by commercial tax preparation companies. According to a 2009 study by the Consumer Federation of America and the National Consumer Law Center, the price of a RAL for a typical loan of \$3,000 can range from \$62 to \$110. In Illinois, the interest rate on a RAL can range from 40 percent for a loan of \$9,999 to over 700 percent for a loan of \$200.

Most Illinois taxpayers can file state taxes for free at www.tax.illinois.gov and receive a refund in about a week. Additionally, many can file their federal taxes online for free as well. Information about filing federal taxes online can be found at www.irs.gov.

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