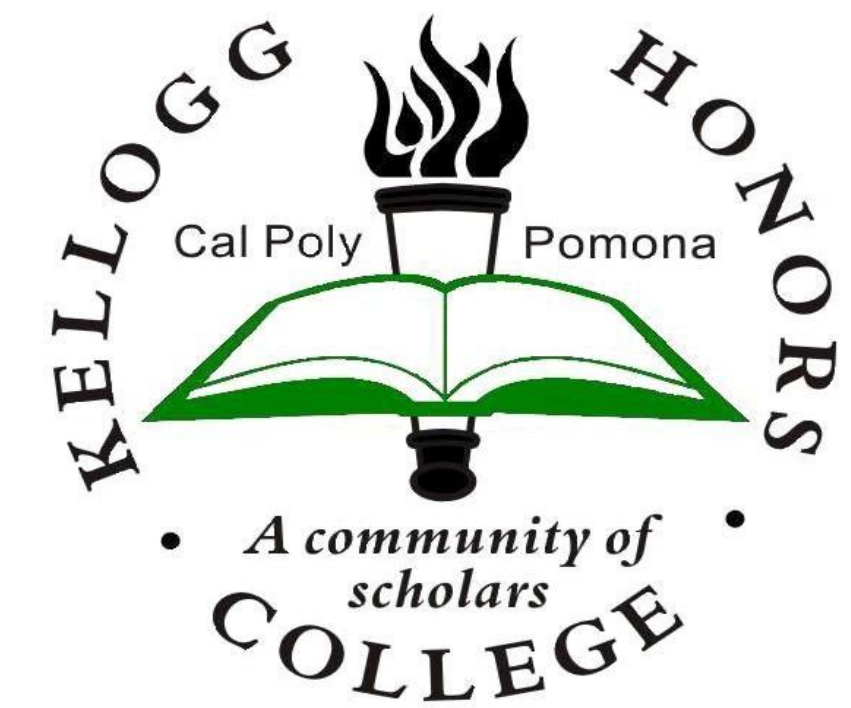


Adoption of a Low Income Tax Clinic at Cal Poly Pomona



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There are many taxpayers in our community who are low income or speak English as a second language that are need of tax assistance. These taxpayers likely cannot afford to pay professionals like certified public accountants, enrolled agents, and tax attorneys. They may also have limited access to tax resources that could help them resolve disputes they may be facing with the IRS. Cal Poly Pomona has the ability to meet the needs of these taxpayers by establishing a Low Income Taxpayer Clinic (LITC). While there are currently five LITCs in Los Angeles County, none are located in the Inland Empire. I am proposing that the Accounting Department at Cal Poly Pomona create an LITC in order to serve the needs of taxpayers in our community.

History of Low Income Tax Clinics

The Low Income Tax Clinic Program began in 1998 when Congress enacted Internal Revenue Code §7526. This code section authorized the IRS to award matching grants of up to \$100,000 per year for qualifying organizations that represent low income taxpayers and provide education and outreach to ESL taxpayers. Since the establishment of this program, 138 grantees have been awarded funding in 49 states and the District of Columbia. Thirteen of these grantees are in the state of California.

Mission of the Low Income Tax Clinic Program:

Low Income Taxpayer Clinics (LITCs) ensure the fairness and integrity of the tax system

for taxpayers who are low income or speak English as a second language (ESL):

- ❖ By providing *pro bono* representation on their behalf in tax disputes with the IRS
- ❖ By educating them about their rights and responsibilities as taxpayers; and
- ❖ By identifying and advocating for issues that impact low income taxpayers.

Points of Emphasis

Representation: protect the taxpayers' right to challenge the position of the IRS and be heard by helping them present their cases effectively and efficiently in tax proceedings and court

Education: support the taxpayers' right to stay informed by allowing them to understand what rights they have as taxpayers and how they can comply with responsibilities

Advocacy: promotes their rights to a fair and just tax system by helping make the IRS aware of common or recurring issues faced by low income and ESL taxpayers

Qualifications of an LITC

- ❖ Must not charge more than a nominal fee
- ❖ At least 90% of taxpayers represented do not have incomes exceeding 250% of the poverty line
- ❖ Amount in controversy in any taxable year generally does not exceed \$50,000
- ❖ Must provide matching funds on a dollar-for-dollar basis for all grants provided

Income Ceiling Guidelines (250% of Poverty)

Size of Family	California
1	\$30,150
2	\$40,600
3	\$51,050
4	\$61,500
5	\$71,950
6	\$82,400
7	\$92,850
8	\$103,300
For each additional person, add	\$10,450

Steps to Implement an LITC at Cal Poly Pomona

- ❖ Obtain funding for the clinic
 - ❖ Accounting Department funds
 - ❖ Private Grants
 - ❖ IRS Grant
 - ❖ Apply for grant by registering with the System for Award Management and submitting an application via www.grants.gov by the deadline
- ❖ Select accounting professors to fill the staffing positions required by the program
 - ❖ Qualified Tax Expert
 - ❖ Qualified Business Administrator
 - ❖ Clinic Director
 - ❖ At least one member able to represent taxpayers before the IRS
- ❖ Determine a budget for the clinic's first year
- ❖ Determine a schedule for meeting with clients (i.e. weekly, biweekly)
- ❖ Reserve computer labs and classrooms for meeting with clients
- ❖ Recruit accounting students as volunteers to assist with tax representation
 - ❖ Announcements in accounting classes
 - ❖ Announcements in accounting student clubs (CPSA and BAP)
- ❖ Hold a training session with students and staff prior to initial onboarding of clients
- ❖ Request student assistance in developing an outreach plan to publicize the clinic and produce educational materials
- ❖ Determine format in which client records will be kept and where they will be kept
- ❖ Network with other LITCs in California (i.e. Cal Poly San Luis Obispo)

Benefits of an LITC at Cal Poly Pomona

- ❖ Grant convenient and accessible tax services to those in the surrounding community beyond those we currently provide (Volunteer Income Tax Assistance (VITA))
- ❖ Equip accounting students with advocacy skills necessary for their field
- ❖ Produce networking opportunities for students with accounting professors and other accounting professionals
- ❖ Make the IRS aware of recurring issues faced by low income and ESL taxpayers in the community

United States Census Bureau

2015 Current Population Survey Annual Social and Economic Supplement
Pomona, CA

	Pomona, CA	United States	Difference
Median Household Income (in 2015 dollars)	\$49,186	\$53,889	(\$4,703)
Per Capita Income (in 2015 dollars)	\$17,557	\$28,930	(\$11,373)
Persons in Poverty	22.10%	13.50%	8.6%