



# Frequently Asked Questions

## **What is Neighborhood Tax Centers and what do you do?**

Neighborhood Tax Centers are a program of Neighborhood Centers Inc., and we offer FREE tax preparation. All of our services are FREE, and we have 16 locations throughout the Houston area where you can easily access our services.

## **Who qualifies for the service?**

Everyone knows someone who can benefit from saving money through Neighborhood Tax Centers. We serve families that make less than fifty thousand dollars a year and individuals that make less than thirty thousand. However, we have the flexibility to consider a change in circumstances, such as a single-parent who was earning \$60,000 in 2011 but is now unemployed.

## **Why does Neighborhood Tax Centers offer this service for free? Aren't there other paid preparers out there who can do this?**

Neighborhood Tax Centers offer this service for free because we want families to get all the money they have earned. Neighborhood Tax Centers are designed to assist families who need every dollar of their refund and who can use the \$200 that is the average cost of tax preparation for the benefit of their family. While the word "free" is used by many paid preparers, such as advertising "free estimates," you still end up paying. With Neighborhood Tax Centers, the entire service is free thanks to the generosity of our IRS-certified preparers, United Way and our other funders.

## **Free tax preparation is something that we're seeing advertised a lot by paid tax-preparation companies. What's the difference between the free services you offer and those offered by other preparers?**

- With us you get 100 percent of your money, including all the credits for which you qualify.
- Families who qualify for the Earned Income Tax Credit or Child Tax Credit are going to lose a portion of their money in tax preparation fees if they go to a paid preparer.
- At Neighborhood Tax Centers all of our services are free.
- A good rule of thumb for people to remember is that hard-working families with children, including single-parent families, will have to pay a fee if they go to a paid preparer.
- We want to remind people that Neighborhood Tax Centers is a program of the non-profit organization Neighborhood Centers Inc.
- With Neighborhood Tax Centers people can be assured that they will receive 100% free, quality tax preparation by IRS-certified preparers.

## **How can someone get more information about Neighborhood Tax Centers?**

Dial 2-1-1 for the Texas/United Way HELPLINE for locations and hours of operation. 2-1-1 can also tell you what documents you need to bring. You can also visit [FreeTaxCenters.org](http://FreeTaxCenters.org) for more information.



# Frequently Asked Questions - continued

## **What should someone bring with them to get their taxes done?**

When you are getting your documents together to come to Neighborhood Tax Centers, be sure to bring your W-2s, 1099s and any document you have received in the mail that is stamped "important tax documents."

If you or your child is in college, bring documentation of what you paid for tuition and any books you were required to purchase. If your child is in daycare, ask the provider for a letter that shows the providers name and tax number and the amount you paid for the year. If you want direct deposit, which is the fastest way to get your refund, bring a check or statement from the bank that shows the bank's routing number and your account number. If you still have questions about what to bring, dial 2-1-1 for the Texas United Way Helpline and they can provide you with a detailed list.

## **What new tax laws do people need to know about?**

This year there are not a lot of changes in tax law. Most of the tax credits have been extended by Congress for one more year.

- For students in college, the American Opportunity Credit provides a credit of up to \$2,500 per student per year and you may be able to receive up to \$1000 as part of your refund.
- If you earned just a little bit of money in 2011, you may be entitled to get money back through a tax credit. For example, a parent making over \$3000 is eligible for the Child Tax Credit. And any small amount of earned income may make you eligible for the Earned Income Tax Credit.
- The biggest negative impact on taxpayers is that the *Making Work Pay Credit* has gone away. Taxpayers may see a decrease in their refund this year of about \$800 for married couples and \$400 for single individuals.