



1431 Elizabeth Avenue, Charlotte, NC 28204
Telephone: 704.971.2622 ~ Fax: 704.376.8627
www.lssp.org

Client Help Lines
Mecklenburg County 704.376.1600
Outside Mecklenburg County 800.438.1254
Spanish Language Line 800.247.1931

Legal Services of Southern Piedmont Low Income Taxpayer Assistance Project

Low-income people in North Carolina have substantial connection to the federal, state and local tax systems. Since the federal welfare reform changes of 1996, an overwhelming proportion of low-income persons are working, have taxable earnings and are paying taxes. The Earned Income Tax Credit (EITC) is now the nation's largest income transfer program for low-income working people with children. Over 18% of North Carolina's tax filers received the federal EITC in 1998.

Many low-income people need legal assistance with their taxes. For example:

- The IRS rejects claims of many taxpayers who are eligible for the EITC and the IRS audits a larger proportion of returns claiming EITC than any other category of returns. EITC audits are the fourth most frequently litigated issue in U.S. Tax Court.
- Many recently separated or divorced spouses, especially victims of domestic violence, are charged with their former spouses' tax debts, for which they may be eligible for protection under innocent spouse relief rules.
- Many single parents, especially victims of domestic violence, are denied exemptions or credits for children because the non-custodial parent claims the exemption or credit.
- Many taxpayers who do not speak English do not understand their rights and obligations under tax laws, do not keep precise records, use unqualified tax preparers, are unable to obtain exemptions or credits to which they may be entitled, and are unable to resolve disputes with the IRS, which has no budget for translators.

Little assistance is available to low-income taxpayers and some available assistance comes at a high price. Many commercial tax preparation services provide "instant refunds" which are essentially loans against expected refunds, often at astronomical interest rates.

The LSSP Low Income Taxpayer Assistance Project (LITAP) provides legal assistance in tax matters to eligible low-income workers and families in western North Carolina. The clinic performs intake in Charlotte, accepts telephone and mail requests for assistance in a larger geographic area, and accept cases by referral from other legal services providers in the North Carolina piedmont and western North Carolina.

CASE TYPES: Controversies involving

Earned Income Tax Credit	Innocent spouse relief
Dependency exemptions	Tip income
Self-employment tax	Child-care credits
Alimony and child support deductions	Interest deductions
IRS audits, collections, appeals and Tax Court litigation	
Outreach and legal education for to non-English-speaking taxpayers	