



Testimony on City Council Resolution #240087

Garrett O'Dwyer for PACDC

March 20, 2024

Good morning Chairman Squilla, Vice Chair Jones and City Council Commerce and Economic Development Committee members. My name is Garrett O'Dwyer, and I'm the Associate Policy Director for the Philadelphia Association of Community Development Corporations (PACDC). I am pleased to offer testimony in support of Bill #240087. Since 1992, PACDC has been a voice for equitable communities across the City of Philadelphia. Every day families across our City struggle to make ends meet in the poorest big city in America. We are regularly in awe of the ability of our neighbors to navigate the challenges of poverty for themselves and their children.

It has been a well-documented concern that too many Philadelphia households do not maximize refunds and credits available as a part of filing their annual state and federal tax return. A recent estimate held that over 40,000 eligible Philadelphians failed to claim either the Earned Income Tax Credit (EITC) or the Child Tax Credit at a cost of over \$100 million. This represents money being left on board room tables in Washington, D.C. that never makes it to the kitchen tables of our neighbors in need.

It is encouraging that more is being done to raise public awareness of the availability of these tax credits and to encourage people to file for them. An important part of this is the free filing assistance offered to navigate what may be a confusing process to those who are unfamiliar. These investments by a range of stakeholders, including a number of our PACDC members, have certainly ensured the ability of more families to get the infusion of resources that they deserve.

However, the educational campaigns about the availability of these benefits have also created an opportunity for some tax preparation firms to take advantage of those who are eligible. Relying on tax-filer unfamiliarity to charge fees-for-service to low income families to perform a function that is available to them free of charge is a predatory business practice.

We therefore fully support the aims and requirements of Bill #240087 in mandating that appropriate disclosures are made to tax filers to ensure that those eligible for free services are made aware of their availability. We hope that this legislation, when implemented, will end the wasteful siphoning of resources from our communities and will encourage even more Philadelphians to take advantage of resources to which they are entitled.

Thank you very much,

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