

# WORKING FAMILIES TAX CREDIT TAX PREPARER LISTENING SESSION REPORT

May 2024





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## BACKGROUND

The 2021 Washington State Legislature passed [ESHB 1297](#) which expands eligibility and funding for the Working Families Tax Credit (WFTC) program. This program is intended to support Washington's low-to-moderate income working families and individuals.

To effectively promote access to the WFTC, the Department of Revenue (Revenue) collaborated with tax preparers (both professional and volunteer) to provide support and assistance to eligible families during the application process. Tax preparers played a crucial role in assisting clients with the WFTC application process. Many federal income tax preparation software companies have incorporated Washington's WFTC application to their modernized e-file (MeF) systems, and often, WFTC application filings occurred with a federal tax return filing.

In May 2024, the Department of Revenue hosted two virtual listening sessions for tax preparers to discuss their experiences with the WFTC application process. During these sessions, preparers had the opportunity to provide feedback on highlights and challenges they encountered while completing the application process. They also offered advice and feedback to Revenue and other first-time preparers.

The input received will help drive changes that will improve and guide future processes within the WFTC program and application process.

## LISTENING SESSION APPROACH

Tax preparer listening sessions were conducted via Zoom and featured a format with designated roles to include a facilitator, meeting host, interpreter (if requested) and note-taker. Each session covered the same questions. Attendees were required to register to attend.

Listening sessions were promoted by the WFTC Outreach team and the WFTC email newsletter.

During the listening sessions, tax professionals, and volunteers were encouraged to provide their feedback, both verbally and via meeting chat. The listening sessions were not recorded. For those unable to attend the listening sessions, a survey was available that included the same questions and themes as shared in the listening sessions.

The listening sessions were held:

- Tuesday, May 7, 2024, at 10:00 a.m.
- Thursday, May 9, 2024, at 2:00 p.m.

Total attendees: 8

Total comments collected: Over 165 in total.

## SURVEY RESPONSES

We received 18 completed survey submissions, with representation of various regions of Washington state and Post Falls, Idaho.



*Map of Washington state illustrating areas of the state represented in survey responses.*



## **ORGANIZATIONS REPRESENTED**

In both listening session registration and in the survey, preparers had the option to provide the organization (if applicable) they were representing. The following organizations were noted:

AARP Foundation Tax-Aide

Amazon

American Indian Community Center

Centralia College

H&R Block

IRS Stakeholders, Partnerships, Education and Communication (SPEC)

Lower Columbia Community Action Program (CAP)

Tax-Aide Program

# KEY FINDINGS

## APPLICATION PROCESS

*How easy was it to apply for the credit?*

### **Feedback themes**

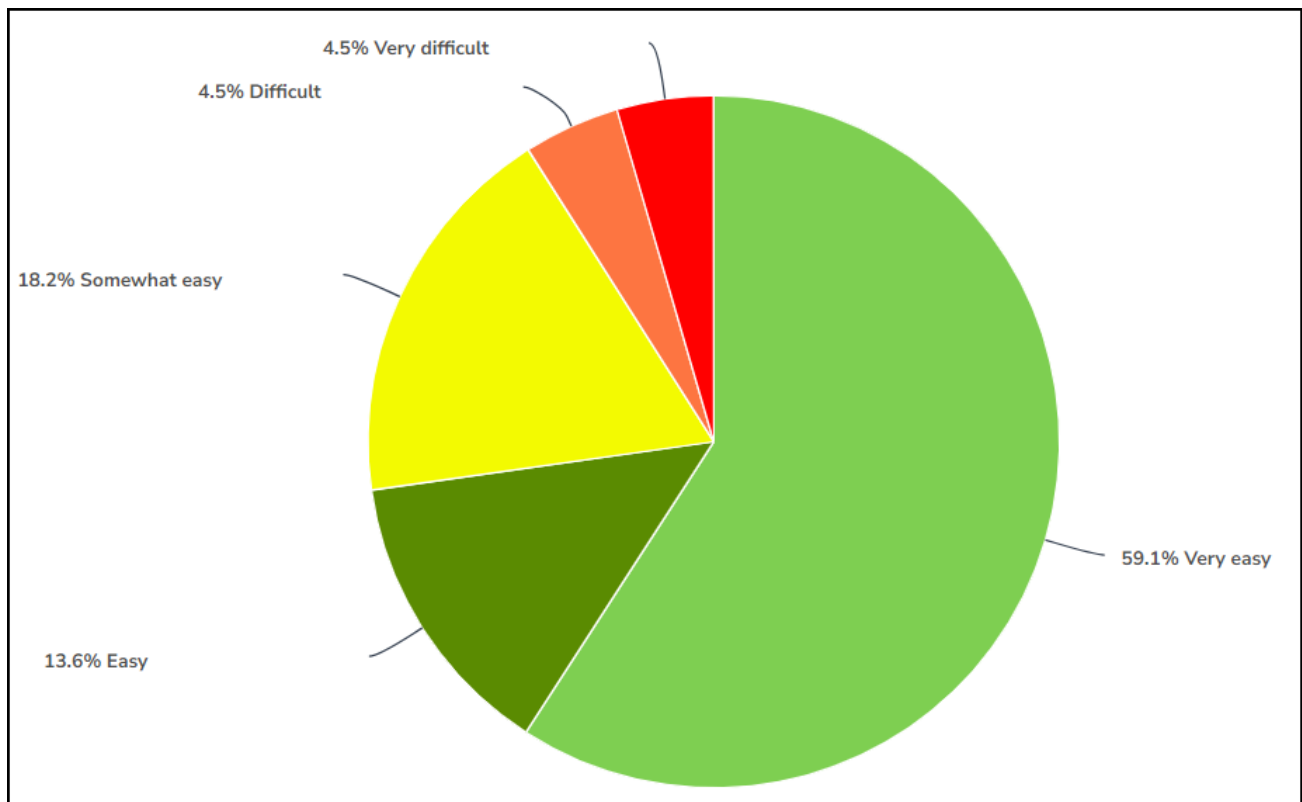
Responses in both the listening sessions and the survey indicate that the process of applying for the credit was positive, with respondents finding the process ranging from “somewhat easy” to “super simple”. This feedback suggests that the application process is user-friendly and efficient.

Noted challenges include:

- Software not prompting users to apply for the credit when they are eligible.
- “Clunky” process involving many clicks to apply. Recommendation is to have a more streamlined approach, such as an expanding list on a single page.
- Incompatibility between systems for a short period of time caused an inconvenience by having customers take additional steps to complete the application.

## Survey Responses

*How easy was it to apply for the credit?*




*EASE RATING BY PERCENTAGE.*

### Listening session and survey comments:

- Very easy x11
- Somewhat easy x4
- Easy x2
- Very difficult
- Everyone is great when asking questions.
- Super simple, took me less than 5 minutes.
- Our two computer systems didn't jive well the first couple of weeks. I personally had more than ten clients get stuck in our/your computer systems and have to come back in to print to paper and mail it to you.
- Just needed your W-2 and your filed return for the appropriate year.



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- Biggest technical issue was our software not promoting to add the state return when taxpayers had EIC and were eligible. Several were skipped and we had to add later when the oversight was discovered. That actually worked well to file that state separately after the federal return was accepted. Not so well when we didn't have an e-filed federal return (see #3 below). Questions are still a little clucky having to click through to the different sections. It would be easier to have an expanding list on one page to pick out what is relevant/required.
  - I am a volunteer. The software used is TaxSlayer. It was easy to apply for the credit.

## APPLICATION PROCESS

*What worked well when applying for the credit?*

### Feedback themes


Responses in both the listening sessions and the survey point to a positive experience for the majority of users applying for the credit. Feedback stated the process was easy, simple, fast, smooth, and direct. In addition, the automatic transfer of information from the federal return and the alignment with federal EIC (Earned Income Credit) were beneficial to users.

Noted common responses include:

- Tax preparers completed the process for both tax years 2023 and 2022 for their clients.
- Tax Slayer provides a positive experience, providing the option to apply for the credit.

### Listening session and survey comments:

- Tax guy did it.
- It was just really easy and fast.
- The format was simple.
- Everything, it all seemed very smooth when applying.
- All the processes were great and fast.
- The website was very direct.
- Nothing for me.
- Once the systems connected, it was very easy!
- Easy questions about identity.
- It was short, to the point, and I don't recall having to do any significant math of my own.
- Gathering every information needed on the application.
- I had a free tax service (freetaxusa.com maybe?) that was listed on the IRS website. The website just pulled through the federal tax return and then the state. It was easy.
- Nothing.
- Almost all the information needed for the credit gets carried over from the federal return (although as mentioned in #1, not so easy to see unless you click into each section). So really it's just double checking a few things and then done.
- Knowing they were already qualified through their federal EITC.

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- Instead of a VITA site, I partner with Tax Slayer. Some people came in and said that either the software they used or their tax preparer did not provide the opportunity to apply for the credit. So they came to us. Tax Slayer was helpful.
  - Our tax preparers helped people apply both for 2022 and 2023.

## APPLICATION PROCESS

*What was the biggest challenge applying for the credit?*

### Feedback themes


Responses in both the listening sessions and the survey identify several key challenges faced by applicants when applying for the credit. There were issues with bank institutions not correcting addresses, which led to non-receipt of refunds, applicants unsure of processing times by agency, and a request for clearer instructions regarding the need to submit a copy of the federal return with the WFTC application. There was also a report of a mistake in a direct deposit refund being issued as a paper check (which was lost). Revenue acknowledges that a system error resulting in paper checks being sent to applicants that requested direct deposit led to confusion and additional effort for applicants.

Noted challenges include:

- Conflict arose when dependent claimed themselves, leading to rejection of parent's return.
- Difficulties for those needing to apply for the credit after previously filing their federal returns. This was mainly difficult when electronic filing was not an option.

### Listening session and survey comments:

- My address is incorrect, and US Bank won't correct it and it has not been received.
- Nothing.
- After applying for the credit, my direct deposit was mailed in a check by mistake and then UPS lost the check. I'm still in the process of trying to get the money after recently submitting the affidavit that the check was lost.
- None for applying.
- None.
- Waiting for the processing of the application.
- The fact that I didn't qualify due to the amount of money I made, if I didn't make that money my daughter wouldn't be able to have clothes, or I wouldn't/couldn't pay a bill on time.
- It needs to be stated very clearly that a copy of your federal return must come with the completed application.
- Getting the numbers from my tax forms!
- Everything.
- Biggest challenge for us was people who had to file a paper return or come to us after filing elsewhere to add the WA return, and we couldn't e-file the WA return.



We had to either help the taxpayers do the online version themselves (which was surprisingly time-consuming, especially creating the account), or we had to print out the form and help them fill it out. It would be really helpful to be able to e-file the WA return on its own, or to be able to print out the filled-in application with the federal information for taxpayers to mail in. (Right now the printout from our software is marked do-not-mail.)

- Situations where someone's parents claim then after they claim themselves- causing the parent's return to be rejected.

## APPLICATION PROCESS

*Based on feedback from last year, we made several changes including adding prepaid debit cards and improving our online system to reduce errors. Do you have any suggestions to improve the application next year?*

### Feedback themes

Responses in both the listening sessions and the survey highlighted concerns regarding receiving checks through physical mail, despite having initially chosen the direct deposit option. One suggestion was for the WFTC program to provide preparers a 1–2-page document on how to fill out the information on software programs, such as TaxSlayer.

Noted feedback responses include:

- Providing the prepaid debit card option for organizations such as AARP (Tax-Aide).
- Align WFTC yearly application opening dates with the federal filing dates.

### Listening session and survey comments:

- Yes -> Don't use prepaid cards.
- Please don't lose the checks or send checks instead of direct deposit as originally selected.
- The economy is really bad right now and a lot of people are relying on this money, so it's really inconvenient and time consuming when mistakes are made that are not our fault.
- Try harder to have your application ready by the federal e-file date. That is where the conflict arose.
- I requested to have direct deposit and received a check in the mail, which delayed the process of depositing the money into my bank account. THEN you sent me a letter apologizing for the mistake, wanting me to send you back the check in order to get the direct deposit, which would have been ridiculous and delayed receiving the money even further. Just make sure it works before putting something like this into service!
- Everything is perfect just the way it is, at least for me!
- We (AARP Tax-Aide) don't have the debit card option. That would be nice to add, though it might get confusing if they can't choose the same for federal refunds. As suggested earlier, show us more clearly what's required for the state return.
- Have step-by-step instructions telling you what the requested information will be used for, or a 1- or 2-page document on how to fill out the information on TaxSlayer. For example-the questions about filling out your driver's license-is that required?

## APPLICATION PROCESS

*If you used a tax preparation software, what changes would you like to see made to that software to make the WFTC process easier?*

### Feedback themes


Responses in both the listening sessions and the survey indicate that tax professionals would like to have a place either on the WFTC website or on the tax preparation software dedicated to printing out an informational document for their customers, explaining what the credit is and details about their refund. It was also suggested for preparers to have the capability to print out applications from their software to mail in, and an indicator, such as a pop-up prompting tax preparers to the WFTC application once a customer qualifies for federal Earned Income Credit.

Noted suggested responses include:

- Offer rebates or free services for using online tax preparation software.
- Reduce the amount of application pages to print.
- Allow WFTC applications to be “held” in the system until e-file opens (February 1).

### Listening session and survey comments:

- Double check and verify correct addresses.
- None.
- I didn't use any tax preparation.
- Our systems hold the applications until federal e file opens. Your system wasn't ready to hold the application until your e file system opened.
- A link to the Washington for from the tax software.
- I used H&R Block online. A rebate for using their service would have been nice.
- None, as of right now.
- It was easy. The website just went to the state form.
- Didn't work.
- I would like the state to consider partnering with a couple tax software companies to make the process free. I used FreeTaxUSA and had to pay \$15 for each return. My biggest concern is the printed report at the end of the process. You're killing my printer and ink! This report is 6 pages and still does not tell the client what the refund is. Please consider condensing the report to just print the answers the client entered rather than printing every choice possible for each question. Please change the report to print a simple text-style report. We don't need black boxes or headings or any fancy stuff. Just print what the taxpayer reported and add the refund amount.

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- As suggested earlier, a flag that comes up once a taxpayer qualifies for EITC to prompt us to add the WA return. Capability to e-file the WA return separately (without an accepted Federal return). Capability to print out the application from our software to mail in. Streamlined one-page of questions instead of the subsections, with questions that expand for more information if needed.
  - I'm not sure this is a software change, but people who have no idea what this is, we tell them, "Congratulations you are getting money." It would be nice to have a simple handout to explain what it is and what the process is. For example, where and when to look to see where the refund is, etc. I have 20 or 30 preparers and getting them to say the same thing is difficult. If we could have something to print out on the software, or a place for preparers to go to on your website, that would be beneficial.



## WORKING WITH THE DEPARTMENT OF REVENUE

*When you needed information-how did you communicate with the Department of Revenue or get support?*

### Feedback themes


Responses in both the listening sessions and the survey indicate that many people sought assistance from the Department of Revenue primarily through email and phone. Additionally, respondents found the website messaging to be informative and helpful.

Noted responses include:

- Email and phone calls result in quick and helpful responses/assistance.
- Local field offices have proven extremely helpful in delivering excellent assistance.

### Listening Session and survey comments:

- Through email or messages.
- It took me a month and a few weeks to finally receive an affidavit that the check that was supposed to be deposited was mailed. Still an ongoing process.
- Other than applying I did not reach out to the DOR.
- No.
- I called them.
- By phone and they wouldn't help me.
- Your website was very user friendly this year and made it much easier for us to apply for our clients for last year's also. I really appreciated that!
- Phone. They answered right away.
- I received multiple emails from you saying I had a message on my account to read, but when I logged into my account, there was no message in my Inbox or anywhere else I could find. I presume it was to tell me about the mistake of sending the paper check when I requested direct deposit & the delay involved, but they never came through. Very annoying!
- I think the messaging on the website is fine. I got more information and got everything done through that.
- Last year, I filed in May or something, but didn't get the money until December. There was some glitch with my driver's license that took several phone calls to fix. This year, I had no problems.
- Was not able.
- At one point I was stuck and called for help and got the BEST support. Very knowledgeable and very friendly. I had entered a wrong number...
- N/A

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- Email and I get quick responses. Thank you. I also found that having flyers of WFTC around our tax site, so people coming in can see it, that is an option.
  - I went to the local office early in the program. On the one hand, people were extremely helpful, but it was so early in the program. I have also sent people to the local office [Bellingham], and they were very helpful.

## WORKING WITH THE DEPARTMENT OF REVENUE

*What could the Department of Revenue do to encourage and reach more potential applicants?*

### Feedback themes

Responses in both the listening sessions and the survey suggest several continued outreach strategies to enhance visibility to the WFTC program. These strategies include distributing flyers to Women, Infants, and Children Nutrition (WIC) offices, WorkSource programs, and school districts across the state. It is also recommended to increase advertisements targeting individuals who are preparing their federal tax returns and continue to utilize radio announcements to effectively reach and engage targeted audiences.

Noted suggestions include:

- Provide additional information and support to assist individuals in applying for the credit, ensuring they have a clear understanding of the process.
- Continue implementing the current strategies that are working well.

### Listening session and survey comments:

- Direct deposit instead of pre-paid cards.
- I think you all did great.
- It seems to be working well.
- Give more information and help to people that need help applying for it.
- Speed the process up.
- Get the information out sooner. A lot of our clients are coming back now at the end of the season, asking us about a Washington credit that they of course were not qualified for so we did not offer it.
- More adds to people doing their taxes.
- Increase the amount of the tax credit. It barely made a dent in my bills. Better than nothing. But a drop in the pool.
- Maintain the same service, i really enjoyed it.
- I think state offices and places like WIC offices or WorkSource could have flyers. I have received a few postcard mailers.
- Change age limit.
- Make it easier for someone to understand.
- Do you have radio spots advertising the tax credit?
  - Yes, we have spots on TV, Instagram, Facebook, and the radio.
- Schools. We have found that the schools are eager to accept information from us. We have reached several thousand families.

## GENERAL QUESTIONS

*How did you find out about the credit?*

### Feedback themes

Responses in both the listening sessions and the survey indicate that people learned about the credit through various channels including tax services, email, word-of-mouth, social media, and news articles.

Additional responses include:

- People learned about the credit through Legislation and messages delivered through Department of Revenue's GovDelivery newsletter services.

### Listening session and survey comments:

- Tax services.
- Through email and IRS tax preparing.
- Email x3
- Tax preparation.
- Via text
- Word of mouth
- I signed up for these emails and text when it started. I've been notified by my children's school. I've gotten some in my social media.
- Website
- News article somewhere online or a male, probably. I don't exactly recall.
- Through one of my coworkers.
- The City of Spokane has an email they send out weekly with announcements. I think it was there. Possibly a newspaper article.
- Online
- Through our Tax-Aide state training.
- Legislation
- We found out about it at the annual meeting last year when you guys came and talked about it. I hadn't seen anything public prior to that, but then afterwards I began to see more about it. Local newspapers are challenged and don't do much in the way of public service anymore.
- I found out about the credit 15 years ago during the initial onset of the legislative discussion about this much-needed credit.

## GENERAL QUESTIONS

*Are you aware that applicants can still apply for the credit for tax year 2022 (in addition to tax year 2023)?*

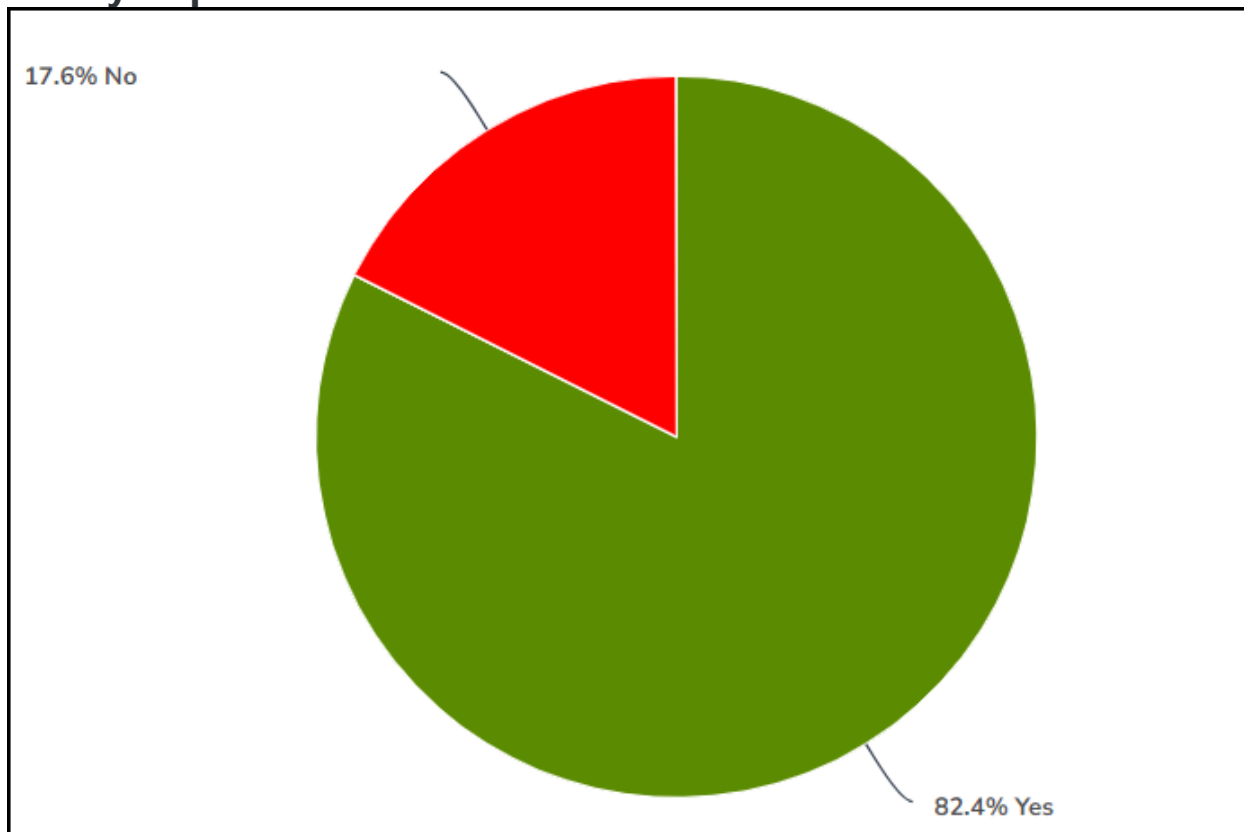
### Feedback themes

An overwhelming number of participants in both the listening sessions and survey were aware that you can still apply for the tax credit for tax year 2022 in addition to tax year 2023.

Noted common responses include:

- Pop-ups when filing for tax year 2023 made it clear that you could still apply for tax year 2022.
- Incorporating a question into the tax software prompting applicants to apply for the previous tax year credit if they did not do so previously.

### Survey responses:



PERCENTAGE OF AWARENESS OF APPLYING FOR PREVIOUS TAX YEAR

## Listening session and survey comments:

- Yes x14
- No x3
- I think that we're aware of it because we had people coming in to do 2022 returns and it popped up, so it made sense that you could still file.
- We were actually asking people and filing for the 2022 credit.
- We have a question added to our software asking, "where did you get your taxes done last year?" If it wasn't our client the previous year, we can suggest they go back and apply. Unfortunately, what we find is a lot of people who decided during COVID, go to online services and then come to us to review or amend. This is very common with younger people. We ask, did you keep a copy of your taxes? No. Did you keep your password? No. Do you have your W-2's? Well, I already filed my taxes so why do I need them?

## GENERAL QUESTIONS

*What advice would you give first-time applicants or new preparers?*

### Feedback themes


Responses in both the listening sessions and the survey provided various pieces of advice to new applicants and/or preparers, including the importance of taking your time, making sure to follow all steps in the process, verifying correct addresses and information, and having all federal tax information on hand, prior to starting the application process.

Noted common responses include:

- If you (or a client) qualify for the federal Earned Income Credit (EIC), you (or they) will qualify for the Working Families Tax Credit.
- A summary of what to expect for tax professionals, especially for new tax preparers, would be beneficial.

### Listening session and survey comments:

- Double check your address.
- Just go for it.
- To file and field all information correctly to be able to get the credit faster.
- Prepare to wait for your tax credit.
- Take your time.
- Just remember that you qualify for an earn income credit on your tax return. Then you qualify for a Washington State working family's tax credit.
- Follow all the steps, go slow, fill in everything correctly. If you have any questions call customer service.
- Don't delay starting the process of the filing. It's not intimidating if you have the info from your federal tax return.
- You can get as much help as you want through the website, their contacts information also stays steady and ready for you!
- Be patient! It's worth your time and energy! Help is available if you need it.
- You will need someone who knows how the government works and don't believe you can find one.
- New preparers - make a mental note for checking for EITC before finishing the return.
- A quick summary of what to expect. And some way to ensure that all preparers have the same information. We train our preparers but in March, not everyone remembers.

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- For this program, new preparers and existing preparers are in the same boat. We don't spend a lot of time training new preparers how to do the software. We sit with them but we don't have formal training on how to use the software.





## GENERAL QUESTIONS

*Anything else you would like to tell us?*

### **Feedback themes**

Responses in both the listening sessions and the survey indicate positive feedback about the implementation of the WFTC program, especially given it is only in its second year. There is a suggestion for the WFTC program to provide a “tip sheet” for tax preparers as a way of continued support materials.

### **Listening session and survey comments:**

- This has been very helpful. For a brand-new process, it worked pretty well.
- One thing that I thought of for the person responsible for training – a tip sheet for the preparers for things like EITC. I would echo what was just said – for a program that’s only two years old, you guys have done a good job.