

Understanding the U.S. Tax System

Preparing to Facilitate

Introduction	<p>Materials and Equipment</p> <ul style="list-style-type: none"> • Name tags • Flip chart paper • Markers in different colors • Masking tape • DVD Player • Video • Discussion Questions • Voices for Community Success Program materials for long version • Participant Handouts <p>Participant Handouts</p> <ul style="list-style-type: none"> • Blank W-7(SP) form • Sample W-4 (optional) • “Requirements for ITIN” handout • “Determining Dependent and Head of Household” handout • Tax Assistance Contacts • “Reasons to File Tax Returns” handout
Ice-Breaker—Tax “Poll”	
Transition	
Video Segment One	
View Video Segment One—The U.S. Tax System. Why and Who Must Pay Taxes in the U.S.	
Discussion	
Video Segment Two	
View Segment Two—Exemptions, Dependents and EITC	
Discussion	
Video Segment Three	
View Segment Three—Head of Household and Benefits to Filing Taxes	
Discussion	
Conclusion and Follow-up	
<p>Video Running Time = 34:00 Total Estimated Session Time = 1 hour 20 minutes</p>	

Facilitator’s Note: If possible, this discussion may be greatly enhanced by the presence of an “expert” guest. For taxes, this could include an IRS representative, tax attorney with knowledge of immigration-related tax issues, or a Volunteer Income Tax Assistance (VITA) program worker.

Introduction

5 Minutes

Begin the session by introducing yourself and your position. Explain that you will be facilitating today's session.

We suggest that you may want to begin with a quick introduction that highlights discussion goals/objectives and what may be learned from the video and discussion.

This brief introduction could highlight areas of discussion to include:

- How tax funds benefit all residents, regardless of legal status
- Filing taxes using an Individual Taxpayer Identification Number (ITIN)
- Common tax-related terms
- Information and other resources to reliable and free tax assistance

Ice-breaker—Tax Poll

10 Minutes

Have participants sit in circle or other “friendly” arrangement. Let people know you are going to take a “poll” to find out what may keep immigrants from filing tax returns. What may be some of these reasons? Possible answers could include language barrier, complicated, need for assistance, lack of legal status, not seeing any benefit to filing, etc.

Try to have each participant contribute at least one idea.

Facilitator's Tips:

The facilitator may choose to make a list of key phrases from participants' responses, and refer back to these concerns in later discussions. Ask participants to listen for these reasons/concerns in the video.

Transition

5 Minutes

After every person has had a chance to respond, ask participants to think of possible solutions to these concerns. Let participants know that this video is designed to help answer questions about the U.S. tax system, and help with these problems. Ask people to keep alert for ways that “Los Impuestos” can help all residents receive the benefits they deserve, including undocumented workers.

Video

12:17 Minutes (from beginning of video to Sandra Sanchez saying "... Let's listen more to Carlos")

Segment One

The purpose of taxes in the U.S. Who is required to file taxes. Separation of Immigration enforcement from IRS. Filing as an undocumented worker and applying for an Individual Taxpayer Identification Number (ITIN).

Facilitator's Tips:

- Facilitators may hand out sample W-7(SP) forms and/or W-4 forms, to be filled out as an activity during the session or to take home.
 - Refer to Tax-related Resources file, Segment One, for help locating the above forms.
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Discussion—suggested questions to ask participants

8 Minutes

1. How do we all benefit by paying taxes? How do I know if I must file a tax return?
2. What are the requirements for undocumented workers to pay taxes? How can an undocumented person file a tax return? What is an ITIN, and how and where can a worker apply for one?
3. Why should undocumented workers not worry about filing U.S. taxes? What U.S. government agency is responsible for handling your personal tax information? Why is this information important for you to know?
4. What is an exemption? What are the qualifications to be listed as an exemption on a tax return?

Video

19:46 Minutes (Begin with Carlos saying: "To determine if a person is a dependent..." Stop with Sandra saying: "...or directly with a representative of the IRS")

Segment Two

Determining if a family member can be claimed as a dependent, and how to qualify for a refund or certain tax credits.

Facilitator's Tips:

- The "Determining Dependent and Head of Household" handout can be distributed after the discussion of segment two.
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Discussion—suggested questions to ask participants

8 Minutes

1. How do I determine if a person in my household is a dependent for the purpose of filing a tax return? Can participants name the five "tests" Carlos describes? How does this information apply to participants' lives? Ask participants to share examples.

2. If I over pay the state and/or federal government while filing taxes, how do I get my money back?
3. What is the “Child Tax Credit” and what are the eligibility requirements?
4. Who is eligible for an “Earned Income Tax Credit” or EITC? (Note: Undocumented workers are NOT eligible for EITC, though they may be for Child Tax Credit.)

Video

19:47 Minutes (*Begin with Carlos saying: “If they have any type of question...” Go to the end of Luis Valdez’s concluding words: “... éxito en el norte.” If you choose to show all the credits at the end, the length of this segment will be 14:13 minutes.*)

Segment Three

Determining civil status. Requirements for “Head of Household.” Filing taxes as an undocumented worker.

Facilitator’s Tips:

- Refer back to “Determining Dependent and Head of Household” handout only after discussion of requirements for Head of Household, if applicable.
 - Distribute the “Tax Assistance Contact” handout.
 - Refer to the Tax-related Resources in Segment Two.
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Discussion—suggested questions to ask participants

8 Minutes

1. What does it mean to be “Head of Household?” What are the requirements for determining “Head of Household” status?
2. Why is it important to file taxes even when I am in the U.S. without legal documents?
3. Who can I contact in case I have additional tax questions? Would they have bilingual assistance available? (If no one knows, or after discussion, have participants refer to “Tax Assistance Contact” handout.)
4. What can happen if you lie or don’t give complete information when you file a tax return? (Answers could include, having to provide proof, being charged with fraud, receiving a fine, etc.)

Conclusion & follow-up

8 Minutes

The last few minutes of the discussion can be used to thank members for their participation, reinforce important concepts, and gauge participant's understanding of the U.S. tax system, and comfort in filing (particularly as an undocumented worker). Wrap-up might include one or two of the following:

1. Highlight benefits of this group time and information learned.
2. Invite feedback on how this video may have changed participant's perspective about filing an income tax return. Clarify any final concerns and/or confusions the participants may have about filing taxes.
3. Re-emphasize the positive outcomes of filing taxes, even as an undocumented person in the U.S. Reiterate that seeking tax assistance is confidential, whether from the IRS or other free and low-cost assistance available locally. Follow-up by sharing the final handout, which describes beneficial reasons to file taxes, even if a worker is undocumented.

Facilitator's Tips:

- Allow participants to share questions that the video raised in their minds that need further discussion.
 - If there is enough time, let participants fill in the blank forms provided earlier (W-7(SP), W-4) and clarify any doubts they may have.
 - After conclusion discussion, end by handing out the "Reasons to File a Tax Return" handout.
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