



HOUSE of REPRESENTATIVES

STATE OF MICHIGAN

Appropriations Requests for Legislatively Directed Spending Items

1. The sponsoring representative's first name:
Jasper
2. The sponsoring representative's last name:
Martus
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.
Representative Cam Cavitt
Representative Nancy Jenkins-Arno
4. Name of the entity that the spending item is intended for:
Community Economic Development Association of Michigan
5. Physical address of the entity that the spending item is intended for:
1118 S Washington Ave, Lansing, MI 48910
6. If there is not a specific recipient, the intended location of the project or activity:
Statewide
7. Name of the representative and the district number where the legislatively directed spending item is located:
Statewide
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution. The purpose of the funding is for CEDAM to provide grants to existing and emerging local, community-based non-profits to provide free tax preparation services to low- to moderate-income individuals and families. Some funding is dedicated to coordination and support of the VITA network and then majority of funding goes to VITA sites. Free tax preparation services, like IRS's Volunteer Income Tax Assistance (VITA) and Tax

Counseling for the Elderly (TCE), provide high-quality, and highly accurate tax assistance, helping taxpayers receive the credits and refunds they've earned.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

5000000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["State"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Non-profit organization

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Yes

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Yes

15. For a non-profit organization, does the organization have a board of directors?

Yes

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

President: Essence Wilson, Communities First, Inc. (Flint) – At Large; Vice President: Libby Palackdharry, SunRaise Consulting (Royal Oak) – Region 6; Treasurer: Angela Benifield, Wayne Metropolitan Community Action Agency — Region 6; Secretary: DeAmo Murphy, National Faith Homebuyers – At Large; Past President: Vacant for 2024; Current Board Members: Zosia Eppensteiner, Community Foundation of Marquette County (Marquette); Jonathan Stimson, Homestretch Nonprofit Housing Corporation (Traverse City); Penny Payea, Ogemaw County EDC Alliance Inc/Michigan Works! Region 7B (West Branch); Lisa Evans, Community Action of Allegan County (Allegan); Hope Lovell, LoveJoy Community Services (Lansing); Brad Michaud, Venture, Inc. (Pontiac); C.J. Felton, Community Housing Network (Troy); Dana Christian, New Hope Community Development (Detroit); Catherine Distelrath, Corporation for Supportive Housing (CSH) (Farmington Hills); Yelena Ramautar, Community Development Advocates of Detroit

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

10/1/2025-9/30/2026

19. "I hereby certify that all information provided in this request is true and accurate."

Yes

Helping Michigan Taxpayers Keep More of What They Earn

Free Tax Preparation Fast Facts

- Free tax preparation services, like Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE), are offered by **local community-based organizations** at **no cost** to low- and moderate-income residents.
- These services are crucial for increasing the uptake of the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), but they are often **underfunded** and **under-resourced**.
- In the last tax season, **over 653,000** Michiganders received the Michigan EITC, with an **average credit of \$836**.
- Despite this, **nearly 1 in 5 eligible workers do not claim the EITC**, meaning about 160,000 Michiganders—and their families—missed out on these important funds.
- Free tax preparation services are provided at no cost, unlike paid preparers who charge an average of \$220 per basic return.

Through sustained annual funding of \$5 million, the State could expand local capacity, optimize statewide efforts, and boost tax time impact for hard-working Michiganders.

How is funding utilized?

- A majority of the funding is allocated to grants for existing and emerging local sites, enabling them to provide free tax preparation services to their communities
- Local sites use a majority of the funding to pay rent at new sites, enhance volunteer management, invest in more secure technology, and more!
- The remaining funds will cover statewide marketing, communications, training, service coordination, grants administration, and other capacity-building efforts to maximize impact

The Case for Free Tax Prep

- **Free tax prep providers are IRS-trained and certified to help filers claim every credit available to them.** It's unsurprising that on average, volunteer professionals are actually more accurate than paid preparers.
- **Free tax prep providers provide their services at no cost.** Filers don't have to worry about surprise fees at any point in the process. State grantees saved Michiganders approximately \$10 million in 2024.
- **Free tax prep providers' local partnerships build trust.** Local referral partners are an effective strategy for raising awareness about these services.
- **Free tax prep providers' service models emphasize accessibility and client experience.** Sites provide varying hours, locations, and service modalities (e.g., in-person, virtual, hybrid) to best meet the needs of their community.

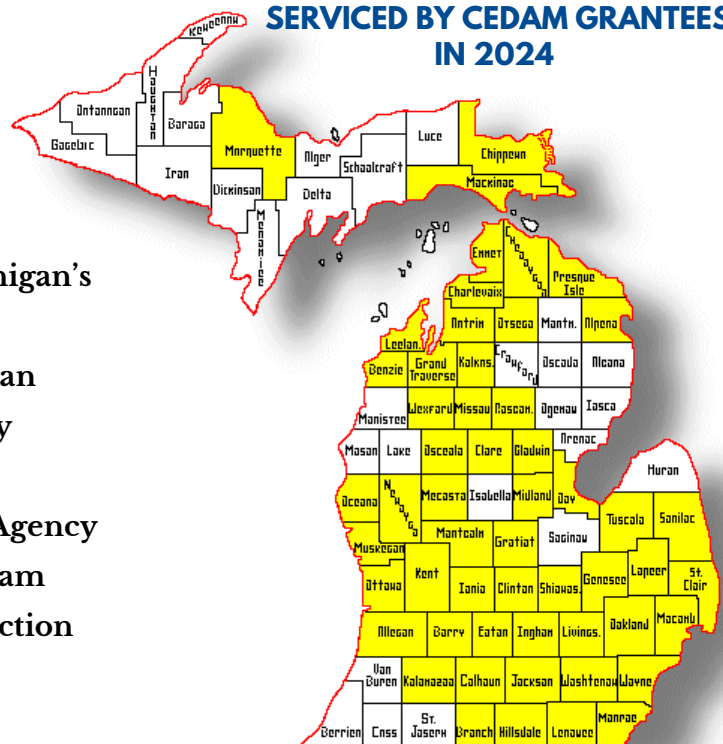
How State Investment is Making a Difference

Thanks to funding appropriated by the Michigan legislature, CEDAM has awarded **expansion grants to 17 local organizations** offering free tax preparation services for the 2025 filing season. These grants are designed to support initiatives that will sustainably grow the capacity of Volunteer Income Tax Assistance (VITA) programs across the state. The awardees are focused on serving their local communities, with sites located throughout both Michigan peninsulas—covering both rural areas and urban centers.

Below are the organizations that were awarded grants for the 2025 filling season:

1. Accounting Aid Society
2. Barry County United Way
3. Cheboygan VITA
4. Community Action Agency
5. Devota Advocacy Services
6. Goodwill Industries of Central Michigan's Heartland
7. Goodwill Industries of West Michigan
8. Heart of West Michigan United Way
9. Macomb County Veteran Services
10. Mid Michigan Community Action Agency
11. Monroe County Opportunity Program
12. Northwest Michigan Community Action Agency
13. The SOURCE
14. United Way of Lapeer County
15. United Way of Marquette County
16. United Way of South Central Michigan
17. Wayne Metro Community Action Agency

MICHIGAN MAP OF COUNTIES SERVICED BY CEDAM GRANTEES IN 2024



*The 17 organizations awarded grants cumulatively service the counties highlighted in **yellow** in the map above.

During the 2024 filing season, 12 local organizations were awarded a grant to expand free tax preparation services! They serviced 45,556 households, putting about \$56 million back in Michiganders' pockets.

Supporting free tax prep providers works!