

» 2024 PROGRAM REPORT



**Low Income
Taxpayer Clinics**

REPRESENTATION • EDUCATION • ADVOCACY



Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

OUR MISSION

Low Income Taxpayer Clinics (LITCs) ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak English as a second language by:

- ♦ Providing *pro bono* representation on their behalf in tax disputes with the IRS;
- ♦ Educating them about their rights and responsibilities as taxpayers; and
- ♦ Identifying and advocating for issues that impact these taxpayers.

ABOUT THE PROGRAM

The LITC Program is a federal grant program that provides up to \$100,000 per year to qualifying organizations. For grant year 2023, the maximum grant amount was increased to \$200,000. The program unites a nationwide network of independent organizations under a shared mission to protect taxpayer rights. The LITC Program Office is part of the Office of the Taxpayer Advocate.



www.TaxpayerAdvocate.irs.gov/LITC

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LETTER FROM THE NATIONAL TAXPAYER ADVOCATE



Dear Reader:

I am pleased to present this year's Low Income Taxpayer Clinic Program Report highlighting the vital work done during the 2023 grant year (January 1 to December 31, 2023). I want to express my deep appreciation for the dedicated efforts of the LITC practitioners, students, and volunteers at legal aids, academic institutions, and nonprofit organizations across the country. Their commitment to representing and educating low-income and English as a second language (ESL) taxpayers – and advocating for resolution of systemic issues affecting these groups of taxpayers – has been truly inspiring. It is heartening to witness the unwavering dedication of those who strive to help individuals and families navigate the complexities of our tax system.

In 2023, the IRS continued to struggle in meeting the needs of taxpayers seeking assistance with tax-related issues. In response, the LITCs stepped up to the plate, working tirelessly and thinking outside the box to develop creative solutions to problems facing these vulnerable populations. However, while the efforts of LITC staff are commendable, they cannot do it alone. We need your support.

This summer, I had the privilege of attending several IRS Nationwide Tax Forums and conferences across the U.S., where I spoke about the LITCs and the communities they serve. I learned many attending the forums are already giving back to their communities through programs like the Volunteer Income Tax Assistance program, the Tax Counseling for the Elderly program, and other *pro bono* efforts. To all of those volunteering your time and expertise to assist those in need, I extend a heartfelt gratitude. Your contributions are invaluable.

For those who have not yet had the opportunity to volunteer, I encourage you to consider giving back in whatever way you can. By taking on just one case through the LITC Program you can make a tangible difference in the life of a deserving taxpayer. There are clinics across the country in need of your help. You can find an LITC near you and learn more about how you can contribute by visiting the [Taxpayer Advocate Service \(TAS\)](#) website. If you are unable to volunteer your time directly, consider supporting the program by [adopting a clinic](#) or finding other ways to assist. The impact you can have on an individual or a family struggling with tax issues is immeasurable, and the rewards are priceless.

I would like to extend my sincere thanks to everyone who contributed to the success of the 2023 grant year. The work of the LITCs, along with the support of my team in the LITC Program Office, continues to be a source of pride and inspiration. I look forward to the year ahead and strengthening clinic partnerships with TAS and other stakeholders as we continue to work together to ensure a fair and just tax system for all.

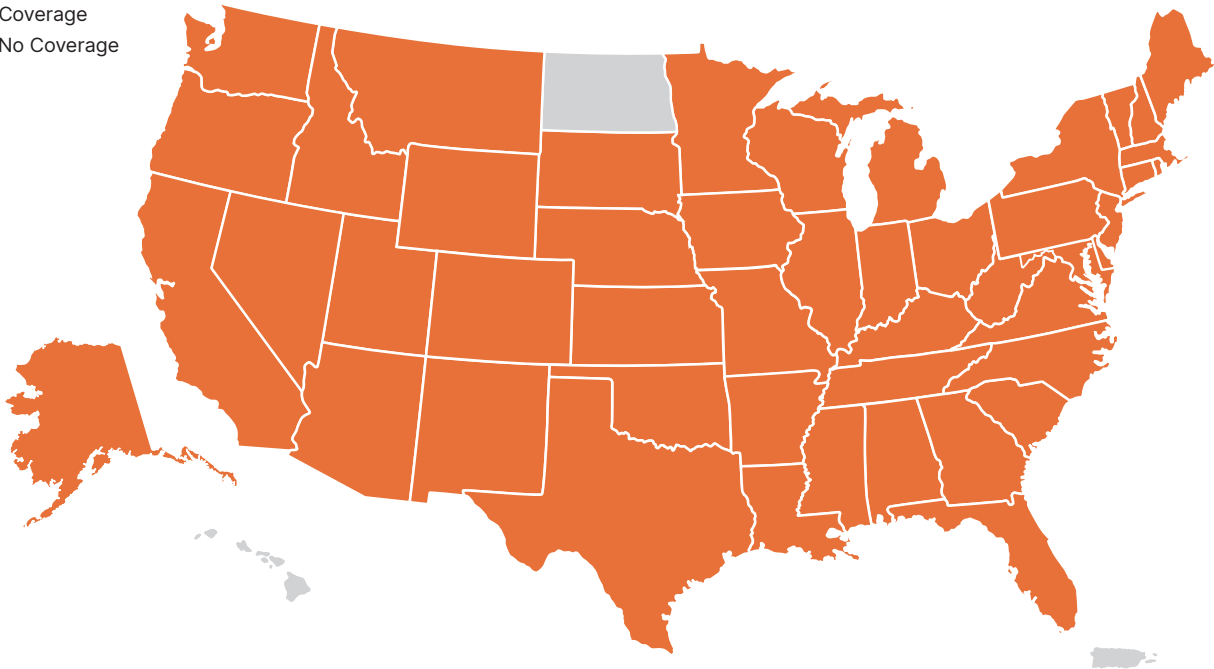
Sincerely,

A handwritten signature in black ink, reading "Erin M. Collins". The signature is fluid and cursive.

Erin M. Collins
National Taxpayer Advocate

LITC LOCATIONS: GRANT YEAR 2023

■ Coverage
■ No Coverage



ALABAMA

- **Montgomery**
Legal Services Alabama LITC

ALASKA

- **Anchorage**
Alaska Business Development Center LITC

ARIZONA

- **Flagstaff**
DNA People's Legal Services LITC
- **Phoenix**
Community Legal Services LITC
- **Tucson**
Southern Arizona Tax Clinic

ARKANSAS

- **Little Rock**
UA Little Rock Bowen School of Law LITC
- **Springdale**
Legal Aid of Arkansas LITC

CALIFORNIA

- **Granada Hills**
Taxpayer Help Center
- **Los Angeles**
Bet Tzedek Legal Services Tax Clinic
KYCC Low Income Taxpayer Clinic
Pepperdine LITC
Bookstein Low Income Taxpayer Clinic
- **Orange**
Chapman University Tax Law Clinic

Riverside

- Inland Counties Legal Services LITC
- **San Diego**
Legal Aid Society of San Diego LITC
University of San Diego LITC
- **San Francisco**
Chinese Newcomers Service Center
Justice and Diversity Center of the Bar Association of San Francisco
UC Law San Francisco LITC
- **San Luis Obispo**
Cal Poly Low Income Taxpayer Clinic
- **Santa Ana**
Public Law Center

COLORADO

- **Denver**
Colorado Legal Services LITC
Denver Asset Building Coalition LITC
University of Denver LITC

CONNECTICUT

- **Hamden**
Quinnipiac University School of Law LITC
- **Hartford**
UConn Law School Tax Clinic

DELAWARE

- **Georgetown**
DCRAC LITC

DISTRICT OF COLUMBIA

- **Washington**
LITC Support Center
American University Washington College of Law, Janet R. Spragens Tax Clinic

FLORIDA

- **Ft. Myers**
Florida Rural Legal Services Low Income Taxpayer Clinic
- **Gainesville**
University of Florida Levin College of Law LITC
- **Miami**
Legal Services of Greater Miami Community Tax Clinic
- **Orlando**
A New Start: Financial & Social Services Inc.
- **Plant City**
Bay Area Legal Services Inc. LITC
- **Plantation**
Legal Aid Services of Broward and Collier Counties
- **St. Petersburg**
Gulfcoast Legal Services LITC
- **Tallahassee**
Legal Services of North Florida
- **West Palm Beach**
Legal Aid Society of Palm Beach County LITC

GEORGIA

- **Atlanta**
The Philip C. Cook Low Income Taxpayer Clinic
- **Hinesville**
JCVison and Associates, Inc.

- **Lawrenceville**
North Georgia Low Income Taxpayer Clinic

IDAHO

- **Boise**
University of Idaho LITC
- **Twin Falls**
La Posada Tax Clinic

ILLINOIS

- **Chicago**
Ladder Up Tax Clinic
Legal Aid Chicago LITC
- **Des Plaines**
Center of Concern
- **Wheaton**
Prairie State Legal Services LITC

INDIANA

- **Bloomington**
Indiana Legal Services, Inc. LITC
- **Indianapolis**
Neighborhood Christian Legal Clinic

IOWA

- **Des Moines**
Iowa Legal Aid LITC

KANSAS

- **Kansas City**
Kansas Legal Services, Inc. LITC

KENTUCKY

- **Covington**
The Center for Great Neighborhoods LITC
- **Louisville**
Legal Aid Society Low Income Taxpayer Clinic

- **Richmond**
AppalRed Low Income
Taxpayer Clinic

LOUISIANA

- **New Orleans**
Southeast Louisiana Legal
Services LITC

MAINE

- **Bangor**
Pine Tree Legal Assistance
Inc. LITC

MARYLAND

- **Baltimore**
Maryland Volunteer Lawyers
Service LITC
University of Baltimore LITC
University of Maryland Carey
School of Law LITC

MASSACHUSETTS

- **Boston**
AACA LITC
Greater Boston Legal
Services LITC
- **Jamaica Plain**
Legal Services Center of Harvard
Law School LITC
- **Lawrence**
Northeast Legal Aid LITC

MICHIGAN

- **Ann Arbor**
University of Michigan LITC
- **Detroit**
Accounting Aid Society
- **East Lansing**
Alvin L. Storrs Low Income
Taxpayer Clinic
- **Grand Rapids**
West Michigan Low Income
Taxpayer Clinic (Legal Aid of
Western Michigan)

MINNESOTA

- **Minneapolis**
Mid-Minnesota Legal Aid Tax
Law Project
University of Minnesota LITC

MISSISSIPPI

- **Oxford**
Mississippi Taxpayer
Assistance Project

MISSOURI

- **Kansas City**
Legal Aid of Western
Missouri LITC
UMKC School of Law LITC
- **St. Louis**
Washington University School
of Law LITC

MONTANA

- **Great Falls**
Rural Dynamics

NEBRASKA

- **Lincoln**
Legal Aid of Nebraska LITC

NEVADA

- **Las Vegas**
Nevada Legal Services

NEW HAMPSHIRE

- **Concord**
603 Legal Aid Low Income
Taxpayer Project

NEW JERSEY

- **Atlantic City**
South Jersey Legal Services,
Inc. LITC
- **Edison**
Legal Services of New Jersey Tax
Legal Assistance Project
- **Jersey City**
Northeast New Jersey Legal
Services LITC
- **Newark**
Rutgers Federal Tax Law Clinic

NEW MEXICO

- **Albuquerque**
New Mexico Legal Aid Low
Income Taxpayer Clinic

NEW YORK

- **Albany**
Legal Aid Society of Northeastern
New York LITC
- **Bronx**
Bronx Legal Services
- **Brooklyn**
Brooklyn Legal Services
Corporation A LITC
Brooklyn Low-Income
Taxpayer Clinic
- **Buffalo**
Erie County Bar Association
Volunteer Lawyers Project LITC
- **Hempstead**
Hofstra Law School Federal
Tax Clinic
- **Jamaica**
Queens Legal Services LITC
- **New York**
Fordham Law School
Mobilization for Justice
The Legal Aid Society LITC
- **Syracuse**
Syracuse University College
of Law LITC

NORTH CAROLINA

- **Asheville**
Pisgah Legal Services LITC
- **Charlotte**
North Carolina Low Income
Taxpayer Clinic

OHIO

- **Akron**
Community Legal Aid
Services LITC
- **Cincinnati**
Legal Aid of Greater
Cincinnati LITC
- **Cleveland**
The Legal Aid Society of
Cleveland LITC

- **Columbus**
The Legal Aid Society of
Columbus LITC
Southeastern Ohio Legal
Services LITC
- **Toledo**
Toledo Tax Controversy Clinic

OKLAHOMA

- **Tulsa**
Legal Aid Services of
Oklahoma LITC

OREGON

- **Portland**
Legal Aid Services of Oregon LITC
Lewis & Clark Low Income
Taxpayer Clinic
Oregon Law Center LITC

PENNSYLVANIA

- **Philadelphia**
Philadelphia Legal Assistance
Taxpayer Support Clinic
Temple Law School LITC
- **Pittsburgh**
University of Pittsburgh School of
Law LITC
- **Villanova**
Villanova Federal Tax Clinic
- **Washington**
Southwestern Pennsylvania Legal
Services LITC
- **Williamsport**
Susquehanna Legal Aid for Adults
and Youth
- **York**
MidPenn Legal Services Low
Income Taxpayer Clinic

RHODE ISLAND

- **Providence**
Rhode Island Legal Services LITC

SOUTH CAROLINA

- **Columbia**
USC School of Law Low Income
Tax Clinic
- **Greenville**
South Carolina Legal
Services LITC

SOUTH DAKOTA

- **Vermillion**
University of South Dakota School
of Law Federal Tax Clinic

TENNESSEE

- **Memphis**
Memphis Area Legal Services
- **Nashville**
Tennessee Taxpayer Project

TEXAS

- **Fort Worth**
Legal Aid of Northwest
Texas LITC
Texas A&M University School of
Law, Tax Dispute Resolution Clinic
- **Houston**
Houston Volunteer Lawyers LITC
Lone Star Legal Aid LITC
South Texas College of Law LITC
- **Lubbock**
Texas Tech School of Law LITC
- **San Antonio**
Texas Taxpayer
Assistance Project

UTAH

- **Provo**
Centro Hispano LITC
- **Salt Lake City**
Westminster Tax Clinic

VERMONT

- **Burlington**
Vermont Low Income
Taxpayer Clinic

VIRGINIA

- **Fairfax**
Legal Services of Northern
Virginia LITC
- **Lexington**
Washington and Lee University
School of Law Tax Clinic
- **Richmond**
The Community Tax Law Project

WASHINGTON

- **Seattle**
University of Washington Federal
Tax Clinic
- **Spokane**
Gonzaga University Federal
Tax Clinic

WEST VIRGINIA

- **Morgantown**
West Virginia University College
of Law Legal Clinic

WISCONSIN

- **Milwaukee**
Legal Action of Wisconsin LITC

WYOMING

- **Laramie**
University of Wyoming LITC



Scan to view the
most up-to-date
clinic information

www.TaxpayerAdvocate.irs.gov/LITC



REPRESENTATION • EDUCATION • ADVOCACY

In 2023, the Low Income Taxpayer Clinic (LITC) Program provided matching grants of up to \$200,000* per year to qualifying organizations to operate a low-income taxpayer clinic. LITCs provide service to low-income and English as a second language (ESL) taxpayers. Services are provided for free or a nominal fee.

** For the past two grant years, Congress has temporarily authorized funding of up to \$200,000 per clinic.*

How do LITCs help low-income taxpayers?



REPRESENT

Represent low-income individuals in disputes with the IRS and state tax agencies and help taxpayers:

- Achieve better outcomes in cases
- Access benefits administered through the tax code
- Resolve tax debts, levies, and liens
- Litigate cases in U.S. Tax Court and other federal courts



EDUCATE

Educate ESL and low-income taxpayers about their rights and responsibilities and help them:

- Understand the U.S. tax system
- Exercise their rights as taxpayers
- Comply with their responsibilities as taxpayers



ADVOCATE

Advocate for low-income and ESL taxpayers about relevant issues that impact them and help the IRS:

- Identify and fix problems with the tax system
- Ensure the fairness and integrity of the tax system for all taxpayers

Performance data from 2023 LITC Year-End Report, GrantSolutions.

LITCs are located across the country at locations such as:

- ▶ legal aid organizations
- ▶ law, business, or accounting schools
- ▶ other not-for-profit organizations

In 2023, we delivered the following results for low-income individuals and their families.

20,289

Taxpayers represented

17,055

Taxpayers provided consultation or advice



2,556

Taxpayers brought into filing compliance

3,043

Taxpayers brought into collection compliance

Over \$11 million

Refunds secured for low-income taxpayers



Over \$40 million

Liabilities decreased or corrected



1,508 Volunteers

42,440 Volunteer hours

1,880

Educational activities



91,861

Attendees at educational activities

INTRODUCTION

This year's reflection on the accomplishments of the LITC Program demonstrates the extraordinary dedication and commitment of the many individuals and organizations of the LITC community. Together they are more than just a resource; they serve as a cornerstone of equity in tax administration by providing essential support for taxpayers who cannot afford legal representation in disputes with the IRS. Whether helping low-income taxpayers resolve their tax issues, educating ESL communities about their rights and responsibilities, or advocating for systemic change, the work of the LITCs provides a solid foundation that upholds taxpayer rights and the framework needed for lasting change to the U.S. tax system for the benefit of all taxpayers. This report serves to highlight the exceptional contributions made by LITCs across the nation during the 2023 grant year.¹

In the 2023 grant year, the IRS funded 138 LITCs in 48 states and the District of Columbia at academic institutions, legal aids, and other nonprofit organizations throughout the country.² The stories and highlights featured in this report underscore the profound impact of LITC services, demonstrating how this essential funding helps protect taxpayers and taxpayer rights and promotes access to justice for all taxpayers.

Through dedicated casework, LITCs have successfully resolved complex tax disputes, advocated for system changes to improve tax administration, and empowered taxpayers with the knowledge needed to fulfill their obligations and exercise their rights. The following sections showcase the transformative efforts of LITCs and illustrate how continued support strengthens communities, upholds fairness, and fosters trust in the tax system.

PROGRAM OVERVIEW

The LITC Program, established under IRC § 7526 as part of the IRS Restructuring and Reform Act of 1998 (RRA 98),³ remains a cornerstone of tax justice for underserved communities. This legislative provision authorizes the IRS to award eligible low-income taxpayer clinics up to \$100,000 per year with a dollar-for-dollar matching requirement.⁴ For fiscal year (FY) 2023, Congress demonstrated its commitment to strengthening the program by increasing funding to \$26 million, while also raising the maximum grant award per clinic to \$200,000.⁵ This momentum continued into FY 2024, with an increased allocation of \$28 million, reinforcing the program's capacity to assist more taxpayers in need.⁶ However, despite these advancements, challenges remain. The National Taxpayer Advocate's 2024 Purple Book recommended a critical next step – amending IRC § 7526 to remove the per-clinic funding cap and reduce the match requirement to 25 percent. This permanent solution would enable the LITC Program to expand its reach and provide comprehensive assistance to even more taxpayers.⁷

A Unifying Mission

When Congress adopted IRC § 7526, it recognized that achieving a correct outcome in an IRS dispute should not be dependent on an individual's ability to pay for representation. Additionally, ESL taxpayers often struggle to navigate the complexities of tax compliance. Congress, therefore, also authorized funding for organizations to provide education about taxpayer rights and responsibilities to ESL taxpayers.

Clinics providing representation and education to low-income and ESL taxpayers are well situated to identify, evaluate, and advocate for taxpayers where the IRS's interpretation and implementation of the tax laws harm taxpayers or hinder them from exercising their rights. Encouraging clinics to identify problems and propose solutions benefits both taxpayers and tax administration by helping the IRS shape policies to better serve taxpayers and more fairly administer tax laws. As the LITC Program developed, so did a unifying three-pronged mission that continues to guide the work of the clinics.



The mission of the LITC Program is to ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak ESL by:

- ♦ Providing *pro bono* representation on their behalf in tax disputes with the IRS;
- ♦ Educating them about their rights and responsibilities as taxpayers; and
- ♦ Identifying and advocating for issues that impact these taxpayers.

Access to free or low-cost representation is essential to upholding taxpayer rights. When low-income taxpayers have access to free or low-cost tax advocacy, either in a controversy with the IRS or as part of an educational program, important public policies are served. The access helps ensure that taxpayers obtain fair results within the tax system and that tax administration becomes more responsive to the needs of all taxpayers, regardless of income level. Assisting ESL taxpayers and providing education about their tax reporting and payment obligations also enhances voluntary compliance, the cornerstone of the U.S. tax system.⁸

Expanding Outreach: The ESL Education Pilot Program

Recognizing the need for targeted outreach to ESL taxpayers, we introduced the LITC ESL Education Pilot Program in 2023. This initiative, launched through supplemental funding opportunities, aimed to:

- ◆ Provide an entry point for organizations serving ESL individuals to provide education about taxpayer rights and responsibilities while building capacity to provide full scope representation of taxpayers, and
- ◆ Provide an opportunity for these organizations to equip ESL taxpayers with accurate tax knowledge and shield them from fraudulent return preparers and from falling prey to schemes.

Initially, three clinics were funded to participate in the pilot, and an additional two clinics joined on July 1, 2024. This interest signals the success and potential expansion of the initiative. The LITC Program Office remains committed to integrating these new clinics into the broader LITC network and providing tailored support to ensure their long-term success.

Important Tax Legislation Impacting LITCs

THE TAXPAYER BILL OF RIGHTS

The Right to Be Informed

The Right to Quality Service

The Right to Pay No More Than the Correct Amount of Tax

The Right to Challenge the IRS's Position and Be Heard

The Right to Appeal an IRS Decision in an Independent Forum

The Right to Finality

The Right to Privacy

The Right to Confidentiality

The Right to Retain Representation

The Right to a Fair and Just Tax System

The Taxpayer Bill of Rights (TBOR) is a fundamental framework that empowers taxpayers by consolidating their rights into a clear and accessible document. Formerly adopted by the IRS in June 2014 and later codified by Congress in IRC § 7803(a)(3) in 2015, TBOR ensures that taxpayers are aware of their rights when interacting with the IRS. Among the ten fundamental rights is the *right to retain representation*, a right that LITCs are instrumental in protecting and promoting.⁹

The *right to retain representation* guarantees that taxpayers facing disputes with the IRS can seek professional assistance. LITCs play a vital role in making this a reality for low-income individuals who might otherwise be unable to afford representation. Access to a representative who understands the complexities of the tax code and IRS procedures empowers low-income taxpayers to also exercise other rights, including the *rights to pay no more than the correct amount of tax, to challenge the IRS's position and be heard, and to appeal an IRS decision in an independent forum*.¹⁰ LITCs leverage TBOR in their advocacy efforts, highlighting violations and pushing for fair treatment of taxpayers both within the IRS and in court proceedings.

Beyond representation, LITCs play an important role in ensuring taxpayers are well-informed about their rights and responsibilities. Through education they provide to taxpayers and community partners, LITCs promote the *right to be informed*.¹¹ Additionally, LITCs help advocate for the *right to a fair and just tax system*,¹² elevating systemic issues to the IRS or TAS when they have the potential to harm taxpayers or interfere with their rights.

To ensure that taxpayers are aware of the invaluable services provided by LITCs, IRS employees are allowed to refer a taxpayer to one or more LITCs that can assist them.¹³ Volunteer Income Tax Assistance (VITA)¹⁴ grant recipients are encouraged to inform taxpayers about the availability of LITCs, eligibility requirements, and clinic contact information.¹⁵ To maximize the effectiveness of these referrals, the LTC Program Office, in collaboration with the IRS Stakeholder Partnerships, Education, and Communication office, hosted a second annual LTC, VITA, and Tax Counseling for the Elderly Collaboration Summit in 2023. This summit aimed to strengthen partnerships, foster new collaborations, and share best practices to ensure taxpayers receive holistic support. Building on this success, the third summit, to be held in early 2025, will further solidify these relationships and reinforce the collective mission of serving taxpayers effectively.

LITC Grant Funding

In grant year 2023, the LTC Program awarded over \$18.7 million in grants to 138 organizations, including ten first-time recipients. Although the maximum amount of an LTC grant in 2023 was \$200,000,¹⁶ some received smaller amounts. Despite the size of the grant, the staff for clinics providing representation must include a qualified representative (an attorney, certified public accountant, or enrolled agent) to act as the Qualified Tax Expert (QTE). Clinics providing education must either hire a QTE or secure a volunteer to review all educational materials and supervise the provision of consultations, if offered. In addition to the QTE, LITCs must have a staff member who acts as a Clinic Director and Qualified Business Administrator.

The major expenditures for clinics are personnel costs and fringe benefits paid to provide direct representation, education, and advocacy services. Except for grant years 2023 and 2024, the maximum award the law allows for an LTC grant has stayed the same since the creation of the LTC Program, while the demands on grant recipients and costs to operate have increased. The temporary increase in the cap has provided these organizations respite, but a permanent fix is needed to provide predictability and improve stability for clinics moving forward.

Clinics must also provide dollar-for-dollar matching funds of cash or third-party in-kind contributions (e.g., time worked by volunteers or donated case management software). The dollar-for-dollar matching funds requirement ensures that each grant represents a financial partnership between the grant recipient and the federal government to benefit low-income and ESL taxpayers. Ideally, the matching funds investment leverages the federal funding so an LTC can grow and assist more taxpayers.

For some organizations, however, especially those with smaller budgets or from economically disadvantaged areas, the current match requirement is a strain on resources. Cash funds may not be available to match the grant, requiring a clinic to secure other funding sources, which may be limited. In-kind support is valuable, but it can be time-consuming to track down those sources. Volunteer in-kind time is also a valuable resource, but for smaller clinics operated by one or two staff members, cultivating and growing a *pro bono* panel can be time-consuming and might not be enough to meet the dollar-for-dollar match requirement. Adoption of the National Taxpayer Advocate's [legislative recommendation](#) will provide the needed flexibility to allow for a reduced match requirement while also expanding coverage and allowing more taxpayers to be served, especially in underserved communities.

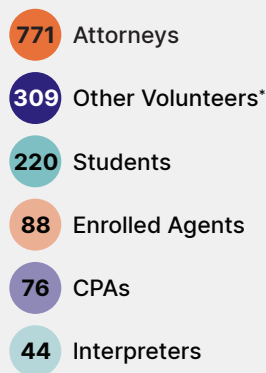
Volunteers Help Expand LITC Reach

Many clinics use volunteers to expand their reach and help more taxpayers. In fact, LITCs are strongly encouraged to develop and maintain a *pro bono* volunteer panel. Each LITC must have a staff member or a *pro bono* panel member who is admitted to practice before the U.S. Tax Court (“Tax Court”) and other federal courts to represent taxpayers in litigation matters. LITCs may also partner with and make referrals to *pro bono* panels operated by state and local bar associations or other professional organizations.

Volunteer opportunities are not limited to representation. Volunteers assist LITCs in a variety of essential ways. For example, some LITCs use student volunteers to provide case support by researching tax laws and organizing tax documentation. Others use their language skills to translate written materials or interpret at community outreach and education events, offer clerical support, and provide website development and maintenance. There are myriad ways volunteers can help an LITC. Clinics use volunteers to not only expand their reach but to enhance the services they offer and maximize available resources. Without the support of volunteers, LITC staff would be burdened with administrative tasks that could divert time and energy from direct client representation and advocacy. Volunteers not only expand the reach of clinics but enhance the quality and efficiency of service, making a meaningful difference in taxpayer’s lives.

FIGURE 1

LITC Volunteers by Type for Grant Year 2023



*Other volunteers include but are not limited to paralegals, administrative assistants, and tax preparers.



Pro Bono Volunteer Goes the Extra Mile

Over the course of several years, an elderly taxpayer, who was also the primary caregiver for an ailing parent, accumulated approximately \$50,000 in unpaid taxes. The taxpayer’s financial troubles started when they experienced health issues, leaving them unable to work. To provide the care needed by the parent, the taxpayer withdrew money from their retirement account to cover expenses. The taxpayer later tried to get back on track financially by working in a field that was negatively impacted by the pandemic. Unsure what to do next and as a last resort, the taxpayer contacted an LITC for help. A dedicated volunteer attorney accepted the case and helped the taxpayer prepare an Offer in Compromise. Based on their unique facts, the offer was accepted, eliminating virtually all the taxpayer’s debt. To help the taxpayer avoid future issues, the volunteer also helped the taxpayer implement a new recordkeeping system to track income from contract work and stay compliant with quarterly tax obligations. With the tax debt resolved and the information needed to be compliant moving forward, the taxpayer is focused on a future that is looking brighter.

In 2023, over 1,500 volunteers provided nearly 43,000 hours of time to the LITCs across the country, underscoring the critical role that tax professionals and volunteers play in strengthening taxpayer advocacy. Their efforts are truly amazing and key to the overall success of the LTC Program. We thank all LTC volunteers for their hard work throughout the year.



Volunteer Spotlight

Attorney Jay Miller, a longtime volunteer attorney for Legal Action of Wisconsin's LTC, has been a cornerstone of the clinic's success. With over 30 years of experience as a tax attorney, he has a distinguished background in leading tax and financial professionals, representing organizations in the development of tax strategies, resolving tax controversies, and litigating federal tax cases. Prior to his retirement, Jay was the Vice President of Financial Security Planning at Northwestern Mutual, where he played a critical role in guiding the company's financial security initiatives.

Since the clinic's inception in 2013, Jay has played a key role in maintaining and operating the clinic. The LTC relies heavily on volunteers to contribute in-kind hours towards the 500 hours needed to satisfy the clinic's dollar-for-dollar matching fund requirement, and each year, Jay's yearly commitment fulfills the bulk of this obligation. Over the last decade, he has volunteered over 2,824 hours and represented more than 220 taxpayers. Through his advocacy in tax controversy cases before the IRS and the State of Wisconsin Department of Revenue, Jay has assisted numerous taxpayers in receiving much-needed refunds and significant federal and state tax liability reductions, alleviating financial distress for vulnerable taxpayers.

Jay's enthusiasm and dedication is evident in his frequent "Good News" emails, where he shares successful outcomes that demonstrate his steadfast commitment to his clients. His unwavering dedication has profoundly impacted the community and the individuals he serves and helped ensure the continued operation of the LTC.



If Jay's story of volunteerism inspires you, consider finding a nearby clinic using the [locator tool](#) on the TAS website (scroll to the bottom of the page) or review IRS [Publication 4134, Low Income Taxpayer Clinic List](#), and contact an LTC today to explore the volunteer opportunities they offer and how you can make a difference in your community.

LITCs REPRESENT TAXPAYERS

Access to Representation Matters



Given the complexity of the tax code and how difficult it can be to navigate the administrative processes to resolve a tax controversy, it's not surprising that taxpayers who have representation during the process are more likely to stay engaged and reach a successful result. A tax professional's knowledge of the laws and their practical application helps them to know what questions to ask the IRS and how to identify the best possible solutions to a taxpayer's problem.

The high cost of professional tax services places this critical support out of reach for low-income taxpayers. LITCs bridge this gap by providing free or nominal-cost representation to thousands of taxpayers who otherwise could not afford them, ensuring that taxpayers receive the help they need regardless of their financial situation. Nearly all LITCs charge no fee for their assistance, making them an essential resource for vulnerable communities.



LITC Makes a Difference for Homeless Taxpayer

A homeless taxpayer, struggling to find stable housing and unable to drive due to not having a license, sought the help of a legal aid attorney. While helping the client with the driver's license issue, the attorney discovered the client faced unresolved tax problems. The case was transferred to the legal aid's LITC attorney who uncovered an unprocessed tax return due to IRS identity verification requirements, a common issue among individuals without stable addresses. The LITC attorney helped the taxpayer create an ID.me account, submit the information the IRS needed to process the return, and establish a mailing address to ensure the taxpayer would receive future IRS notices to help prevent further issues. Additionally, the attorney helped the taxpayer complete the e-file process for two other prior year returns to claim thousands of dollars in economic impact payments to which the taxpayer was entitled. Thanks to the comprehensive support provided, the taxpayer was able to stabilize their financial situation and avoid future compliance challenges. This is a great example of how LITCs offer representation or assistance beyond the initial challenge and can help clients with multiple legal problems, making an even greater impact on a taxpayer's life.

During the 2023 grant year, LITCs represented 20,289 taxpayers facing IRS tax controversies. A controversy with the IRS refers to a proceeding brought by a taxpayer under Title 26 of the U.S. Code (also called the Internal Revenue Code, or IRC) or any dispute between an individual and the IRS concerning the determination, collection, or refund of any tax, penalty, or interest. The definition of a controversy is broad and encompasses all disputes arising under the IRC except for criminal tax matters. Controversies include examinations, issuance of math error notices, denial of refund claims, collection actions, or pursuit of other relief where the IRS is the other party involved.¹⁷ LTC assistance with a federal tax controversy may also extend to addressing a related state or local tax issue. For example, an audit finding at the federal level can cause an assessment of state or local tax. Removing the federal assessment without addressing the state or local assessment may leave the taxpayer still carrying the burden of unresolved tax issues, so LITCs may help with both.

Most cases with which LITCs help taxpayers involve collection, refund, and status issues. Collection issues arise when the IRS has issued a balance-due notice. The taxpayer may challenge the IRS position, pay the amount due, or negotiate an alternative. Refund cases involve disputes over the amount of a refund or an IRS audit of a tax return and a determination that the taxpayer is not eligible for certain credits. Status issues include an individual's tax return filing status, worker classification as an employee or independent contractor, and the consequences of unfiled tax returns. When the right outcome isn't reached with the IRS through administrative channels, LITCs continue to help taxpayers exercise their right to an appeal.

The most frequently worked issues in 2023 are listed below. The percentages are based on the number of cases worked with a particular issue as compared to the total cases worked. Cases often include more than one issue, which can increase the complexity of a matter, making it important for LITCs to be available for low-income taxpayers who might want help resolving their cases but can't afford to pay for representation.

Most Frequently Worked Issues for the 2023 Grant Year

Refunds	17%
Currently Not Collectible	14%
Offers in Compromise	14%
Other Credits	14%
Earned Income Tax Credit	12%
Non-filers	12%
Child Tax Credit/Additional Child Tax Credit	12%
Wages	11%
U.S. Tax Court Litigation	10%
Filing Status	8%
Business Income (Schedule C)	8%
Identity Theft	8%

Collection Issues

In 2023, approximately 32 percent of taxpayers represented by LITCs sought help with IRS collection issues. Communicating with the IRS and choosing the best type of relief in a collection case can be overwhelming, particularly for taxpayers who are unable to pay their tax debt in full, may not understand the collection notices, or may be unable to communicate effectively with the IRS to provide the necessary documentation or information to dispute the amount owed or negotiate a collection alternative. Many taxpayers face financial hardship and are unable to fully pay a debt or make payments after paying for basic living expenses. Many may be experiencing an illness or financial hardship that has reduced their income, and the amount due continues to grow due to mounting penalties and interest. The IRS has powerful enforcement tools available to collect unpaid taxes, such as liens and levies, that can exacerbate financial strain and disrupt lives. In response, LITCs play a critical role in helping low-income taxpayers address collection actions. In 2023, LITCs provided relief for nearly 6,500 taxpayers facing IRS collection actions, helping them regain financial stability and move forward with their lives free from the burden of unresolved tax debt.

One common collection alternative involves asking the IRS to temporarily suspend collection efforts where a taxpayer is experiencing financial hardship by placing them in currently not collectible (CNC) status.¹⁸ LITCs assist with the process of requesting CNC status, including helping the taxpayer gather and present their financial information and documentation. Clinicians also advise about other collection alternatives that will resolve an outstanding tax debt and educate them about future compliance.

Another collection alternative offered by the IRS is an installment agreement (or payment plan). If a taxpayer falls behind on installment agreement payments or stops paying, the IRS can cancel the agreement, which may lead to the garnishing of wages or seizure of assets. The taxpayer has options to correct the default, including making back payments or renegotiating the payment terms. LITCs help taxpayers determine the amount they can afford to pay, negotiate the agreement with the IRS, and educate taxpayers about the terms and conditions of the plan.

For taxpayers with little chance of a change in their economic situation, resolving a tax debt with an offer in compromise (OIC) may be the best solution.¹⁹ The IRS saves resources trying to collect from someone unable to pay, and vulnerable taxpayers can fully resolve their tax debt. An OIC requires the taxpayer to promptly file any late returns, timely file all future returns, and pay any federal taxes for five years. Most importantly though, an OIC provides a final resolution that eliminates the burden of the unpaid debt.



LITC Helps Recovering Taxpayer Obtain an OIC

An LITC assisted a single parent taxpayer with two children to resolve several years of tax debt, multiple years of unfiled tax returns, and over \$100,000 in tax debt. The taxpayer, struggling with addiction, sought help from the LITC to rebuild their life but lacked critical tax documentation. The taxpayer had very little information about their tax matters and did not know where to start. The LITC worked diligently to help the taxpayer gather the needed records and prepare the tax returns. Once the tax returns were processed, the LITC submitted an OIC on the taxpayer's behalf. The IRS accepted the offer, allowing the taxpayer to resolve the tax debt and focus on improving their family's future.

Taxpayers may experience financial hardship when the IRS takes a collection action, but they are afforded important due process protections through a Collection Due Process (CDP) hearing, which allows them to appeal collection actions and negotiate alternatives. In 2023, LITCs helped with 260 CDP requests, including educating taxpayers on their rights and CDP procedures and representing them during the appeal process.



LITC Helps Taxpayers Find Their Way Home

An elderly disabled taxpayer and their spouse faced homelessness after the IRS levied their only source of income – the spouse’s Social Security benefits. They asked the IRS to stop the levy but were denied relief due to unfiled prior year returns. The local IRS Taxpayer Assistance Center referred them to a VITA site, where the local LITC had trained the volunteer preparers to make referrals to the LITC. With the assistance from an LITC and a VITA volunteer, the taxpayers filed their past-due returns, timely requested a CDP hearing, and submitted an OIC. An IRS Appeals Officer upheld the levy, claiming the taxpayers had not filed returns for two years. The taxpayers had filed the returns, but the IRS had not processed them due to pandemic-related paper processing delays. The ongoing levy meant the taxpayers couldn’t maintain stable housing and their health deteriorated. The LITC appealed the IRS decision with the U.S. Tax Court. The case was sent back to the Independent Office of Appeals, and a different Appeals Officer recognized that all the required tax returns had been filed. Appeals accepted the OIC, requested removal of all levies, and supported return of the levied funds. The LITC worked with the Taxpayer Advocate Service to claim the erroneously levied funds, which totaled over \$10,000. The claim was approved. The financial relief enabled the taxpayers to secure stable housing and improve their well-being.

Refund Issues

Refund issues are a common challenge faced by low-income taxpayers when the IRS reviews a tax return and disallows expenses, deductions, or credits. This can result in taxpayers receiving a reduced refund or even owing money. In some cases, taxpayers must take additional steps to claim certain credits or face a ban from receiving credits on future tax returns. In 2023, over 16 percent of the cases worked by LITCs involved refund issues, with LITCs securing over \$11 million in refunds for low-income taxpayers. These refunds are critical to financial stability, as they often represent a significant portion of annual income for vulnerable households.

Refundable tax credits, such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC), are vital lifelines for low-income families. When tax returns claiming these credits are audited or denied, the financial impact can be devastating. If a credit is disallowed after being paid, resulting in a balance due, the taxpayer may seek help from an LITC. If a return is audited before the credit is paid, the refund may be delayed or denied entirely. In either case, LITCs provide essential support by assisting taxpayers through the audit or audit reconsideration process and pursuing remedies to correct IRS determinations.

In 2023, LITCs handled 597 audit reconsideration cases, successfully correcting or reducing over \$40 million in assessed liabilities through the audit reconsideration process and other remedies, helping taxpayers reclaim critical financial resources.



LITC Helps Grandparent Receive Much-Needed EITC

An LITC assisted a taxpayer raising several grandchildren when the IRS denied the taxpayer's EITC claims. The LITC filed an audit reconsideration request on the taxpayer's behalf and obtained multiple personal affidavits from the taxpayer's neighbors and co-workers to help prove that the children had lived with their grandparent. The IRS agreed and the EITC claims were allowed. The taxpayer received a refund of well over \$20,000, which helped them meet the needs of their grandchildren.

Status Issues

A taxpayer's filing status is used to determine whether the taxpayer must file a return, whether the taxpayer should claim the standard deduction, and how much tax is due. Filing status also determines whether a taxpayer is eligible for other deductions and credits. Cases that involve a taxpayer's filing status often involve laws and administrative rules that may be difficult to understand. In 2023, LITCs assisted taxpayers in over 1,500 cases involving filing status, nearly 800 cases involving personal/dependency exemptions, and over 2,200 cases with non-filer issues. They also assisted in 178 cases challenging a worker's classification, which can make a big difference in the Social Security and Medicare taxes an individual owes.



Fair Result and Taxpayer Education Ensure Future Compliance

LITCs play a vital role in ensuring that low-income taxpayers receive fair treatment from the IRS while providing critical education to promote future compliance. One such case involved a married, ESL taxpayer who had several children with her spouse. The relationship turned abusive, ending in divorce. Despite securing employment, the taxpayer's low income was only enough to rent a room, leaving their children to reside with the ex-spouse. The taxpayer erroneously believed that the divorce decree entitled the taxpayer to claim the children as dependents and use head-of-household filing status to obtain child-related tax benefits, including EITC and CTC. The taxpayer filed a tax return according to the taxpayer's understanding and received a significant tax refund. The IRS audited the return and the taxpayer asked an LITC for help.

The LITC attorney provided crucial guidance, educating the taxpayer on the proper procedures for claiming child-related tax credits and the necessity of obtaining IRS Form 8332 from the ex-spouse to claim the CTC, but explained that the taxpayer was not eligible to file as head of household. This meant that the taxpayer was not eligible for the EITC and other credits claimed on the return. During the LITC's representation, the ex-spouse signed Form 8332 for the year in question, and the IRS allowed the child tax credits. The LITC also successfully negotiated with the IRS to waive all penalties and arranged a manageable payment plan for the remaining balance resulting from the incorrect head-of-household filing status.

As a result of the LITC efforts, the taxpayer received several thousand dollars in credits, avoided penalties, executed an affordable repayment plan, and gained a clear understanding of proper filing procedures to ensure compliance moving forward.

When married taxpayers sign a joint tax return, the tax laws provide that both are responsible for the entire tax liability, a concept known as joint and several liability. Both continue to be liable for the debt even if they divorce and the final orders state otherwise. The tax laws provide three types of relief from joint and several liability, known as innocent spouse relief. In 2023, LITCs helped 532 taxpayers navigate the process to obtain innocent spouse relief. When the IRS did not rule in the taxpayers' favor, some LITCs also helped taxpayers file Tax Court petitions to litigate the issue.

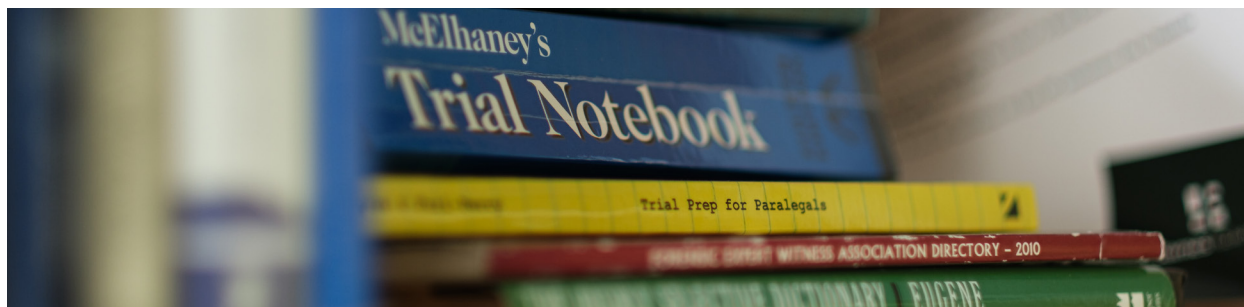


LITC Assists a Domestic Violence Survivor

A young parent burdened with substantial federal and state tax debts stemming from a business owned by an abusive ex-spouse turned to an LTC for help. During the time they lived together, the ex-spouse exercised control over all the household expenses and bills and provided the taxpayer with a set weekly stipend for food. Without their knowledge, the taxpayer was listed on the company's payroll to justify the stipend. The ex-spouse was also filing joint tax returns without the taxpayer's knowledge or consent, making them jointly and severally liable for the resulting tax debt. With the help of their family, the taxpayer escaped the abusive relationship and secured a restraining order. The LTC stepped in and submitted a request for innocent spouse relief, which was granted in full by IRS. The taxpayer was relieved of all the tax debt and used the IRS determination to apply for the same relief under the state's tax laws.

Representing Taxpayers in Court

Taxpayers have a right to challenge an IRS decision through the courts when they cannot resolve certain controversies using administrative channels. LITCs represent taxpayers in the Tax Court and other federal courts, including U.S. district courts, the U.S. Court of Federal Claims, U.S. Courts of Appeals, and even the U.S. Supreme Court. The Tax Court is the only judicial forum in which taxpayers may challenge an IRS assessment before paying the disputed tax. In FY 2023, 77 percent of the cases filed in the Tax Court involved self-represented taxpayers, highlighting the urgent need for LTC assistance.²⁰



The Tax Court provides information and guidance to help taxpayers representing themselves (pro se) navigate the rules and procedures of the court, but it can still be a difficult process to understand for non-lawyers. LITCs are strongly encouraged to represent taxpayers in the Tax Court, especially those who may have filed a

petition on their own because they could not afford representation. Approximately ten percent of all LITC cases worked in 2023 involved litigation, with the majority in the Tax Court.

The Tax Court is committed to access to justice for all petitioners. It informs pro se taxpayers about the availability of LITC assistance through its Clinical Program and facilitates the participation of practitioners from LITCs and volunteers from bar associations to participate in the Calendar Call Program and provide free legal assistance. The Clinical Program allows LITCs to submit a notice directed at pro se taxpayers who file a petition in the Tax Court. The notice informs taxpayers about the availability of LITCs and the contact information for the participating clinics. The Tax Court includes the notice in multiple mailings to unrepresented petitioners.

Through the Tax Court's Calendar Call Program, participating LITCs provide consultations to pro se taxpayers at calendar call sessions. In many cities, the Tax Court relies on a local LITC clinician to coordinate services to taxpayers wanting assistance. Calendar call sessions take place on the first day the Tax Court is scheduled to hear cases in a particular location, and cases that remain unresolved after the initial session are set for trial. In 2023, 125 clinics participated in the Tax Court's Clinical Program, consulting with 516 self-represented taxpayers and formally representing 1,879 taxpayers in Tax Court proceedings.

For years, practitioners from LITCs and individuals from the IRS Office of Chief Counsel (OCC) have worked together to try to resolve cases without the necessity of a trial. In 2020, this effort gained a great boost when a cadre of OCC attorneys put together guidance for sponsoring these events and set a goal to hold events nationwide. The success of these events has led to a sustained effort to make settlement days a regular activity preceding Tax Court calendar call sessions. These partnerships help conserve the resources of the Tax Court and local OCC offices, but the biggest benefit is to the taxpayers who resolve their cases without having to go through the trial process.

LITCs also benefit from ongoing collaboration with U.S. Tax Court judges, who provide valuable insights and updates during the Annual LITC Grantee Conference and other forums. These interactions ensure that LITCs are well-equipped to support taxpayers facing complex tax disputes and provide the judges an opportunity to discuss the Tax Court, in general, and operation of its key programs, including any emerging issues or concerns. Likewise, LITCs are provided an opportunity to ask questions and discuss their experiences participating in the Tax Court's key programs. LITCs also interact with Tax Court judges throughout the year at American Bar Association Tax Section meetings and on calls, as needed, to discuss concerns and any new issues that may come up.



LITC Helps a Single Parent Prevail in Tax Court Case

A young single parent of two young children was denied the EITC and related credits on a prior-tax year return and reached out to an LITC for help. The LITC attorney worked with the taxpayer to prove the residency of the children and the financial support provided for the children during the tax year. The taxpayer also provided documents to support their self-employment income and business expenses. The LITC filed a Tax Court petition on behalf of the taxpayer and then set to work reviewing all the taxpayer's records page by page, noting where money was spent on equipment and materials for jobs. After the petition was filed, the case was sent to the IRS Independent Office of Appeals, where the request was denied. A settlement, however, was later reached with IRS Counsel, and the taxpayer received the EITC to which they were entitled.

Training Students to Provide High-Quality Representation Services

For LITCs located at law, business, and accounting schools, students (and law graduates) assist with all aspects of the clinical case work under the supervision of a qualified representative. The tasks they assist with include determining taxpayer eligibility for services, researching issues, gathering information from taxpayers and the IRS, and developing a strategy for representation. They also assist with litigation-related tasks such as collecting and reviewing evidence, drafting motions and briefs, and participating in hearings and oral arguments. Creating an environment where students work directly with taxpayers to resolve disputes with the IRS allows the students to develop their advocacy skills. It also instills a professional commitment to community involvement and helps to foster a *pro bono* tradition that they will hopefully take with them as they progress in their professional careers.



LITC Students Argue Case in Federal Court

An academic LTC filed a U.S. district court refund suit based on innocent spouse relief for a domestic violence survivor who had paid off a joint tax liability through the offset of several years of EITC refunds. When the U.S. Government filed a Motion to Dismiss the case, arguing that innocent spouse relief could not be the basis of a refund suit, LTC students diligently prepared for and successfully presented the case at oral argument. Their efforts resulted in a ruling that the court did, in fact, have jurisdiction over refund suits based on an innocent spouse claim. The students cleared the first hurdle, and the case was allowed to move forward.

LITCs EDUCATE TAXPAYERS

Taxpayers assisted by LITCs over the past 20-plus years often share a common trait – the desire to comply with tax return filing requirements and payment responsibilities. For many with tax controversies, however, the root of the problem is an inadequate knowledge of the tax system and how to navigate the complex laws. LITCs inform ESL and low-income individuals about their taxpayer rights and responsibilities and help demystify tax concepts, such as the eligibility rules for certain credits, the dangers of tax scams and how to avoid them, and tax-related recordkeeping.

ESL taxpayers face additional barriers to finding understandable and reliable tax information. Those who have immigrated to the U.S. may come from countries where the tax systems operate much differently, and those arriving from countries with pervasive corruption may distrust a government agency like the IRS. They are also exposed to risks such as identity theft or return preparer misconduct from unscrupulous tax return preparers who steal or divert refunds and disappear long before their bad acts are discovered.

When LITCs educate taxpayers, they create an environment where participants can interact with the instructor and pose questions regarding their unique situations. Tailoring taxpayer education topics to the needs of specific communities and presenting the information in a taxpayer's native language helps LITCs reach those who may be experiencing communication barriers with the IRS. LITCs distribute tax materials in many different languages and have staff, volunteers, and interpreter services available to conduct educational activities in languages spoken by the clinics' targeted audiences. IRS [Publication 4134](#) reflects the many languages in which services are offered by each LTC.

LITCs address a wide range of substantive tax topics in their educational programs and materials. Topics include filing requirements, family status issues, refundable credits, worker classification, identity theft, information about the audit and appeals processes, and collection alternatives. In addition to education, clinics also conduct outreach. While outreach generally informs others about the availability of LITCs and the services they provide, many clinics also provide basic tax-related education at these events on topics such as the EITC. They also share information about the availability of TAS, VITA sites, and other resources for taxpayer assistance in their local communities.

LITCs collaborate and work extensively with many community partners and stakeholders, such as VITA sites and ESL class providers, to schedule and conduct training and outreach for low-income and ESL taxpayers. In 2023, LITCs conducted over 1,800 educational activities to over 90,000 low-income and ESL taxpayers. LITCs provided over 300 additional educational sessions to over 18,000 staff members and volunteers at partner community groups, government agencies, and other organizations that assist low-income and ESL taxpayers. These activities strengthen the LITCs' relationships and networks with community stakeholders, expand the scope of their outreach and education efforts, and enable other service providers to look at client issues holistically to ensure their tax issues are addressed. These networks and partnerships also allow for mutual referrals to address the different needs of low-income and ESL individuals.



LITC Provides Important Tax Information to High School Students

The LITC at the Justice and Diversity Center of the Bar Association of San Francisco created a training program about federal income tax basics for high school and college students. The topics included what income taxes are; how to complete a Form W-4; how to read a Form W-2; the differences between deductions, credits, and refundable credits; and the structure of the U.S. income tax system. The LITC attorney first delivered the presentation virtually to a handful of students to test the content and delivery and adjusted the content based on the students' feedback. Next, he connected with a high school economics teacher in Sacramento. He presented the program to three classes and the school's economics club, reaching over 90 students. Armed with this important knowledge, these students will start their first jobs understanding why taxes are being withheld and ready to meet their tax filing obligations.

LITCs ADVOCATE FOR TAXPAYERS

The third prong of the LITC mission is advocacy. LITCs are uniquely positioned to identify emerging systemic issues or trends in tax administration that impact low-income and ESL taxpayers. As representatives, educators, and advocates for these taxpayers, LITCs see firsthand how IRS policies and procedures affect individual taxpayers and entire populations. LITCs also network with one another, which allows clinicians to gain a broader perspective on the extent to which taxpayers in other areas experience similar problems.

LITCs are encouraged to share what they have learned to help improve service delivery by the IRS and the broader practitioner community. Clinicians share this knowledge in many ways, including developing resource materials and providing training to other practitioners. The knowledge they share is not limited to substantive tax expertise but may also address removing barriers and improving outcomes by changing the way service is delivered.

Advocacy efforts often require sustained effort. Raising awareness and building understanding takes the time and efforts of many. Advocacy efforts can be undertaken by one organization or may be the result of collaboration across organizations. LITCs support advocacy through many channels, including organizing and leading networking groups and participating in listservs or other practitioner events to discuss emerging issues or ongoing problems.

Clinics are also encouraged to use the TAS [Systemic Advocacy Management System \(SAMS\)](#) to report potential systemic issues. TAS analysts follow up on every SAMS submission, conducting research to determine the extent of the impact of the reported issue, ascertaining whether there is already a similar or related project underway, and formulating the next steps to address the problem. TAS works with various IRS business units to propose, advocate, and implement solutions. If TAS and the IRS cannot reach resolution, the National Taxpayer Advocate may write about the systemic issues in reports to Congress (and in [National Taxpayer Advocate blogs](#)) and advocate for administrative and legislative recommendations to resolve those issues. In 2023, LITCs submitted 137 issues through SAMS.

When public comment is sought on IRS proposed administrative rules, LITCs often respond individually or in collaboration with the ABA PBTC. They advocate through the comments they provide to help ensure IRS rules and procedures are fair and equitable for taxpayer populations who may not have the knowledge or resources to advocate for their own interests.

LITCs also successfully contest systemic issues administratively within the IRS and through the cases they litigate in the Tax Court and other federal courts. Litigating cases reaches beyond helping one taxpayer and can affect similarly situated taxpayers and how they are impacted under the tax laws in administrative processes and future litigation.

LITC PROGRAM OFFICE RESPONSIBILITIES

The LITC Program Office manages and administers the LITC grant program to ensure that the federal funding is properly spent and programs are implemented in accordance with all applicable statutory, regulatory, and public policy requirements. This includes administering the award and payment of grant funds; providing guidance and assistance to prospective applicants and grant recipients; and overseeing and monitoring clinic performance.

Each year, the Program Office revises and issues [Publication 3319, Low Income Taxpayer Clinics \(LITC\) Grant Application Package and Guidelines](#), to provide clear instructions for applicants. Additionally, [Publication 4134, Low Income Taxpayer Clinic List](#), is updated annually to ensure accurate information is available about funded clinics. The staff carefully reviews all grant applications and makes funding recommendations to the National Taxpayer Advocate. Performance data from progress reports submitted by the LITCs are also analyzed to identify clinic support needs, performance trends, and best practices. This data not only informs program involvement and activities but also contributes to the program's annual report and supports responses to information requests from TAS and IRS.

To empower the LITCs in their mission and support what they need to succeed, the Program Office provides guidance and technical assistance to current grant recipients and prospective applicants. They also maintain the LITC Toolkit, a website used to share news, guidance, best practices, and resources with clinics, and plan the Annual LITC Grantee Conference, which provides training to LITC staff and fosters relationships between clinicians. Program Office staff also organize multiple other training opportunities for clinics throughout the year, are responsible for issuing special appearance authorizations that permit students and law graduates to represent taxpayers before the IRS under the supervision of a qualified representative, and coordinate access to e-Services products offered by IRS.



Oversight is a crucial component of the Program Office's responsibilities. To safeguard the integrity of the program, the office conducts thorough financial and operational reviews of grant recipients. This includes reviewing clinic budgets and financial reports submitted by LITCs to ensure federal funds are properly expended and matching funds properly sourced, spent, and valued. The Program Office ensures the clinics follow the service eligibility requirements and conduct site assistance visits to interview clinic personnel, observe facilities, review procedures and internal controls, corroborate report information, and evaluate operations. The Program Office also coordinates the civil rights pre-award compliance reviews with the IRS and takes steps to ensure all clinics are following all federal tax and other obligations. Through these oversight efforts, the Program Office ensures that clinics maintain transparency, accountability, and compliance with all applicable laws and policies.

In 2023, the LITC Program Office successfully expanded its reach by implementing a supplemental funding initiative that enabled the onboarding of seven new clinics at mid-year. Efforts to increase program visibility and engagement also included adding an exhibit area to the annual conference offerings and developing new, targeted outreach materials to attract new applicants and educate stakeholders. Staff members also participated in IRS Nationwide Tax Forums, where they secured contacts for clinic volunteers and networked with other IRS and TAS functions to share information about the LITC Program. These initiatives have broadened the LITC Program's impact by increasing awareness, expanding the pool of service providers, and strengthening relationships with key stakeholders.

CONCLUSION

The LITC Program Office extends its sincere gratitude to members of Congress for their continued support of the LITC Program and its commitment to assisting low-income and ESL taxpayers. Increased funding and higher award caps enabled clinics to expand their reach and provide critical services to underserved communities.

We also recognize the invaluable contributions of the many LITC clinicians, students, law graduates, and volunteers across the country. Your unwavering dedication has transformed the lives of thousands of low-income and ESL taxpayers through your representation, education, and advocacy efforts in 2023. Your work inspires and changes lives every day. As we look ahead, the LITC Program remains committed to addressing emerging challenges and embracing new opportunities to improve and collaborate with community partners to think creatively about service delivery and solutions to barriers that may impede progress.

Finally, we extend heartfelt thanks to the vendors who partner with us to provide complimentary software and electronic/online tools that assist the LITCs in the important work they do for vulnerable taxpayers.²¹ We appreciate your generosity!

- ◆ **Bloomberg**
- ◆ **Blue J Legal, Inc.**
- ◆ **Drake Software**
- ◆ **Tax Analysts**
- ◆ **TaxAct Professional**
- ◆ **Tax Help Software**

ENDNOTES

- 1 All case-related data provided in this publication is from year-end reports for grant year 2023 (Form 13424 series) obtained from GrantSolutions, the grants management system utilized by the LITC Program Office.
- 2 See IRS, Pub. 4134, Low Income Taxpayer Clinic List (Sept. 2023), <https://www.irs.gov/pub/irs-prior/p4134--2023.pdf>.
- 3 Pub. L. No. 105-206, § 3601, 112 Stat. 685, 774 (1998).
- 4 IRC § 7526.
- 5 See Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, Div. E, 136 Stat. 4459, 4655-56 (2022).
- 6 See Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, 138 Stat. 460, 526 (2024).
- 7 See National Taxpayer Advocate 2024 Purple Book, Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 150-152 (Enable the Low Income Taxpayer Clinic Program to Assist More Taxpayers in Controversies With the IRS), <https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/national-taxpayer-advocate-2024-purple-book>.
- 8 See *IRS Restructuring Hearing Before the Senate Committee on Finance*, 105th Cong. (Feb. 5, 1998) (statement of Nina E. Olson, Executive Director, Community Tax Law Project) ("[F]or the vast majority of taxpayers in this country there is no conflict between taxpayer compliance and taxpayer rights. The latter enhances the former. Access to justice and representation within the tax system bring these two goals into harmony.").
- 9 IRC § 7803(a)(3)(I).
- 10 See IRC § 7803(a)(3)(C), (D), (E).
- 11 See IRC § 7803(a)(3)(A).
- 12 See IRC § 7803(a)(3)(J).
- 13 Taxpayer First Act, Pub. L. No. 116-25, § 1402, 133 Stat. 981, 997 (2019).
- 14 VITA sites offer free tax help to people who need assistance preparing their own tax returns, including people who generally make \$60,000 or less, persons with disabilities, and limited English-speaking taxpayers.
- 15 Taxpayer First Act, Pub. L. No. 116-25, § 1401, 133 Stat. 981, 993 (2019).
- 16 For FY 2023, Congress appropriated \$26 million and increased the cap on grants to \$200,000 per clinic per year. See Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, Div. E, 136 Stat. 4459, 4655-56 (2022).
- 17 See IRS, Pub. 3319, LITC Grant Application Package and Guidelines, 6-7 (May 2024), <https://www.irs.gov/pub/irs-pdf/p3319.pdf>.
- 18 See Internal Revenue Manual (IRM 5.16.1), Currently Not Collectible (Nov. 14, 2023), https://www.irs.gov/irm/part5/irm_05-016-001r.
- 19 See IRC § 7122. See also IRM 5.8.1, Offer in Compromise Overview (May 25, 2023), https://www.irs.gov/irm/part5/irm_05-008-001.
- 20 United States Tax Court Congressional Budget Justification, FY 2025 at page 22 https://www.ustaxcourt.gov/resources/budget_justification/FY_2025_Congressional_Budget_Justification.pdf (Mar. 4, 2024).
- 21 Thanking these vendors for their donations to the LITCs does not constitute an endorsement of the vendors or their services.



www.TaxpayerAdvocate.irs.gov/LITC

