

# METRO NEWS

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## Too taxing to pay others



Instead of going to traditional tax preparation services such as H&R Block, people are trying to save a few dollars, says Karen Castillo, who runs the free tax-help program at the Lower East Side People's Federal Credit Union. Photo by Kevin Hagen

## More turn to free services & do-it-yourself software to file by April 15

BY JEANMARIE EVELLY  
SPECIAL TO THE NEWS

DANUTA OPALA sat on a plastic chair in the packed waiting room at the Lower East Side People's Federal Credit Union, waiting patiently for free tax preparation help.

Opala lost her job in February after working for eight years as a clerk in a jewelry store in Astoria, Queens. She said there just wasn't room in her budget for an accountant this year.

"I don't make enough," she said. "And I don't want to spend."

More people are skipping the accountant this tax season in the hopes of saving cash. The number of people using free community tax services and do-it-yourself filing software is up as some

traditional tax preparers are feeling the pinch.

"People's attitudes have changed, in terms of going to places like H&R Block and Jackson Hewitt," said Karen Castillo, who directs the tax-help program at the Credit Union. "They're not willing to forfeit the \$300 or \$400."

H&R Block, the country's largest tax services provider, recently reported that the number of in-office tax returns prepared this year is down 6.2%.

Jackson Hewitt, another tax preparation service, hasn't fared much better: only last month, the company projected declines in returns filed this year, as well as a drop in revenues and earnings per share.

Meanwhile, sales of at-home filing software are up. H&R Block's accountants might not be getting as much business, but the company's number of digital returns filed — through software and H&R Block Online — has increased 5.1%. Intuit Inc., maker of the popular tax prep software TurboTax, says sales of the program are up 10% this year.

But some professional accountants warn that such money-saving tactics could cost taxpayers in the long run.

"Even if you buy TurboTax these days, you still have to be really careful," said Abe Schneier of the American Institute of Certified Public Accountants. "You may have an opportunity for someone to see extra deductions

that you wouldn't see on your own."

Still, for recession-pinched wallets, cheaper options have appeal.

"A lot more people this year are looking at their finances from a different dynamic," said Bishop Mitchell Taylor, who runs the East River Development Alliance, a nonprofit in Queens that offers tax-prep help to low-income residents. "Before, it was easy come, easy go. Now it's hard to come and hard to go. But people are holding onto their money."

Rita Chang, who runs the free tax preparation program at the Henry Street Settlement on the lower East Side, is also welcoming more clients this year.

"I've seen a lot more people

coming in who went to accountants last year," she said, adding that it's not uncommon this tax season for someone to wait two weeks to get an appointment.

Henry Street Settlement also increased its maximum income eligibility requirement this year to accommodate more requests from middle-income people looking for free tax help.

Opala said she's been looking for a new job over the past few months, but hasn't had much luck.

In the meantime, she's happy she can go to the People's Federal Credit Union, which offers tax preparation services four days a week, for free help.

"They do a good job here," she said. "So why should I pay for it?"

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