



# Refund to Savings | Frequently Asked Questions

## Why is Intuit partnering in R2S?

Intuit is invested in helping customers improve their financial lives. Intuit values the R2S Initiative because it showcases an efficient mechanism to benefit customers, and generates research findings that inform the development of further product innovations. Consumer testing demonstrates that R2S delights customers by providing a unique opportunity to build savings while filing a tax return, making saving easier and, in turn, generating customer satisfaction and loyalty. In addition, Intuit shares concerns about financial insecurity and low personal savings rates and recognizes the social and economic benefits of widespread financial security.

## What is Intuit's customer base?

Intuit's TurboTax is one of the most popular personal income tax preparation software packages in the United States.

- ◆ Of the approximate 45 million returns completed using software every year (about 30% of all returns filed), approximately 22 million of the returns were prepared using TurboTax software.

Intuit also partners with the IRS Free File Alliance to provide free preparation software (TurboTax Online Tax Freedom Edition) to low and middle-income taxpayers.

- ◆ For tax year 2011, anyone who qualifies for EITC, or is on active duty military with an AGI of \$57,000 or less, or has an AGI of \$31,000 or less can use TurboTax Online Tax Freedom Edition.
- ◆ Over the last 10 years Intuit has donated more than 22 million federal and state tax returns to low and middle-income taxpayers through this partnership.

In addition to its individual tax preparation software, Intuit also has leading products to support professional preparers. Professionally prepared returns account for about 60% of all returns filed.



## What are the potential contributions to/implications for policy and practice?

### Implications for tax regulation process and procedures:

1. R2S will evaluate the effectiveness of modifications to the tax preparation process in increasing personal savings.
2. R2S will identify places where tax policy could be changed to give tax payers more flexibility in the disposition of their tax refund, including facilitating account opening and providing access to low-cost, low-risk savings vehicles.

### Implications for financial products:

1. R2S will demonstrate extent of demand for new financial products offered at tax-time.
2. The R2S Initiative showcases an efficient mechanism to connect consumers with financial products.

### Implications for consumer research:

1. The rigorous evidence generated from R2S will provide new information on the effect of behavioral interventions on savings decisions. These findings can be used to help people reach their savings goals and improve the design and execution of consumer research studies.
2. Findings from the R2S Initiative are likely to influence the way in which asset-building strategies are designed and implemented, including how consumers are prompted to save, which financial products are offered to individuals, and how asset-building strategies are funded and regulated within the United States.

## How will the R2S partners collaborate with the U.S. Government?

The R2S partners seek to collaborate with the Treasury Department and other agencies to link motivation, opportunity, and product to make tax-time saving opportunities and mechanisms widely available. We will work with the Treasury Department, the IRS, and the Bureau of Public Debt to identify the legal framework that governs potential mechanisms for providing access to low-cost savings opportunities at tax time. While respecting consumer privacy, we will work with these agencies to identify innovative ways the tax filing process can become an opportunity to build financial security for all.