



Tax Credit for Justice

"Most poor people are not on welfare. ... They catch the early bus. They work every day."

—Rev. Jesse Jackson

How can you help Arizona without it costing you a penny? Let me tell you.

Arizona leads the nation in poverty. Almost one in five families live at or below the federal poverty level of \$10,400 per person or \$24,000 for a family of four.

We narrowly beat Mississippi and New Mexico for the "top" position.

So where are these poor people? They—18 percent of our population—are clearly not all standing alongside an overpass with a sign; so where are they?

They are working poor. They clean kitchens and toilets. They make beds in hotels, and they care for the sick in hospitals. Many work for some of our state's largest employers, many are veterans who fought for our country, and many are young and female. But most—the vast majority—work every day.

Not surprisingly, people who can barely afford the necessities of life cannot afford traditional legal services. This does not mean they

do not have urgent and significant legal needs: housing, employment, health care, denial of benefits, domestic relations issues (including domestic violence) and consumer issues are among them.

Civil legal aid is provided in Arizona by 75 lawyers scattered around the state, working for Community Legal Services, Southern Arizona Legal Aid, and DNA-People's Legal Services. Unfortunately, the resources available cannot keep up with the demand. For every three individuals who even understand they have a legal problem and know about these legal-aid entities, two are turned away because there are not enough legal-aid lawyers to meet that demand.

Because of their income, approximately 15 percent of our population are eligible for civil legal-aid assistance—assuming it were available. The balance of the population, about 85 percent, either cannot afford a lawyer or are choosing to represent themselves in court. In Arizona's family courts, more than 80 percent of the cases have one or both litigants representing themselves. Think about what that means just in Maricopa County; last year, there were more than 56,000 filings in family court. In housing court, just about 100 percent of the tenants are forced to represent themselves.

It doesn't have to be this way.

For every dollar invested in civil legal aid, there is a return to the community of almost seven dollars. This return represents

a combination of (1) increased tax revenue (because the recipient has, with legal assistance, kept a job or secured employment, or has kept their house and is paying property taxes) and/or (2) decreased community funding for government assistance in the form of housing and health care.

As noted above, civil legal-aid resources are in short supply in Arizona. The major funding for these services comes from two main sources. First, the Legal Services Corporation, created in 1974 by President Richard Nixon, is funded annually by Congress. Current funding, however, sits at the equivalent of 1980s levels. The second main source is interest on lawyer trust accounts ("IOLTA"). In 2009, Arizona lawyer trust accounts were generating around \$225,000 per month in income devoted to legal aid; however, for the last several years, with the Federal Reserve interest rate at zero, that income stream is \$40,000 per month.

You can help. In Arizona, a single taxpayer can donate \$200 and receive a dollar-for-dollar tax credit to qualifying charitable organizations. Those filing jointly can donate \$400 and receive the same dollar-for-dollar credit.

Because it is a credit on your taxes, it costs you literally "nothing." This credit is also separate and in addition to tax credits available for donations to schools. It costs nothing but provides between \$1,400 and \$2,800 worth of benefits to Arizona's working poor. It is a no-brainer.

Please join me in helping to solve this crisis. Your donations need to be made by December 31 and can be made online and with a credit card at www.AZFLSE.org/legalaid 

The author thanks Hon. Lawrence F. Winthrop for his generous assistance in putting together materials for this article. The views expressed here are those of the author alone, however, and are not intended to reflect the views of the State Bar of Arizona or any other person or entity.

In Arizona, a single taxpayer can donate \$200 and receive a dollar-for-dollar tax credit to qualifying charitable organizations.



Geoff Trachtenberg