



CITY PROFILES

EITC Campaigns in Cities Across the Nation

REPORT FOR THE ANNIE E. CASEY FOUNDATION

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Earned Income Tax Credit

The Earned Income Tax Credit (EITC) is a tax credit for low- and moderate-income workers. For eligible individuals and families EITC reduces the impact of federal payroll and income taxes withheld from their pay. If the EITC refund amount exceeds a worker's payroll taxes, then they can get money back from the federal government. Workers with two or more children may receive up to \$3,888, a significant amount for families who are just barely making ends meet.

Unfortunately, about one-quarter of eligible individuals and families fail to file for EITC. Not only is this unfortunate for those workers who lose out on hundreds or thousands of dollars a year that is rightfully theirs, but so many unfilled EITC cost cities millions of federal dollars from reentering their local economies a year. To reclaim this money and help their underprivileged residents with their financial burdens, many cities have established programs to inform and assist qualified residents in filing for the federal EITC. Listed below are sixteen such programs from various cities across the United States.

Akron Summit Earned Income Tax Program, Akron, OH

The Akron Summit Earned Income Tax (EITC) Program provides free tax preparation to low-income working individuals and families by trained and certified volunteers through the Volunteer Income Tax Assistance (VITA) Program. Akron Mayor Don Plusquellic guides the program as honorary Chair of the Coalition that also consists of Summit County Executive, Russ Pry, the Internal Revenue Service, Akron Summit Community Action, Inc., Akron Metropolitan Housing Authority (AMHA), Info Line Inc., United Way of Summit County, the American Red Cross, the Summit Chapter of the Ohio Credit Union League, Community Legal Aid, Akron Summit County Public Library, Summit County Ohio Jobs and Family Services and Akron Public Services. In 2007, trained and certified volunteers assisted 1,563 individuals in receiving \$1,381,378 in EITC refunds and saved taxpayers \$360,200 in tax preparation funds.

Baltimore Cash Campaign, Baltimore, MD

The Baltimore Cash Campaign began in 2001 to assist eligible low-income working families in filing federal and state Earned Income Tax Credits (EITC) and save them from high-priced refund anticipation loans (RALs). The Campaign's seventeen tax sites offer free e-filing for faster returns and can help residents access other wealth-creating opportunities such as U.S. Savings Bonds, matched-savings accounts and housing counseling. In 2008 the Campaign's goal was to prepare more than 10,000 tax returns, which would result in over \$15 million in refunds to working families in Baltimore, and save them an estimated \$1 million in tax preparation fees.

Mayor Thomas M. Menino's Boston Earned Income Tax Credit Coalition, Boston, MA

Mayor Thomas M. Menino created his Boston Earned Income Tax Credit (EITC) Coalition to generate greater awareness of the EITC. The Coalition is a partnership of nonprofits, businesses and community organizations that promote the financial growth of working individuals and families. The Coalition began in 2001 when it gave free tax preparation services to a few hundred residents. It now serves 12,000 taxpayers and facilitates refunds totaling \$16.7 million, \$5.9 million in EITC money. These refunds are used to pay bills, invest in higher education, and save for homeownership. The Coalition operates 25 free tax sites throughout Boston and intends to offer additional financial resources in the near future. Mayor Menino's Coalition works with Action for Boston Community Development, Inc. (ABCD) to provide free tax help and electronic filing throughout Boston. In 2007 almost 4,000 families received a total of \$5.5 million in tax returns through ABCD's EITC program. In 2008 ABCD expanded its EITC program to include Credit Counseling and Money Management workshops at several of their neighborhood-based tax preparation sites and downtown locations.

Earned Income Tax Credit Information Campaign, Chicago, IL

Chicago's Earned Income Tax Credit (EITC) Information Campaign enlists help from businesses, philanthropic and grassroots leaders to help Chicago residents file for EITC. The Campaign began in 2000 and seeks to educate residents about EITC through radio and television public service announcements, by placing cards on buses and subways, and providing notices to city employees and a website. Report cards from public schools and flyers sent with bills from utility companies have also been sent to more than three million families. More than 19,200 low-income residents were provided with tax assistance since the campaign has begun.

Denver Asset Building Coalition, Denver, CO

The Denver Asset Building Coalition (DABC) began in 2003 to prevent families eligible for the Earned Income Tax Credit (EITC) from paying high loan and preparation fees and allowed them to keep their full tax refund. With help from the U.S. Bank, Denver Mayor John Hickenlooper's Office of Economic Development, the Anschutz Foundation and the Rose Community Foundation, DABC has created locations where low-income workers who make less than \$45,000 can get free help with tax preparation. DABC also offers free financial services including aid in opening free checking accounts and purchasing bonds to start towards a savings goal, as well as free *Tax Dollars and Sense* classes. In 2009, the DABC prepared 3,618 federal returns, issued \$1,700,256 of federal EITC and saved \$633,150 in tax preparation fees (based on \$175 per return). It is also in the process of developing a one-stop resource center where other

organizations in Colorado can receive support and training on how to properly establish and run a free tax site in their community.

Earned Income Tax Credit Promotion, Fort Collins, CO

Fort Collin's Earned Income Tax Credit (EITC) Promotion seeks to inform local families about the EITC by helping them file tax returns. With support from over 3,000 volunteer hours, the program helped over 1,200 residents in its first year. Also part of the program is a at-home preparation assistance for homebound seniors and a 211 hotline for general tax-related questions.

Mayor's Financial Education Initiative, Hattiesburg, MI

The Mayor's Financial Education Initiative is a coalition between the City of Hattiesburg, the Volunteer Income Tax Preparation (VITA) program, AARP and other local businesses and nonprofit agencies that provides free tax assistance to Hattiesburg residents. Hattiesburg Mayor Johnny DuPree founded the program when he learned that about \$5 million in EITC money was going unclaimed by eligible filers. The Mayor's Coalition seeks to educate residents about the rebates available to them. Coalition members and staff conduct radio interviews, issue news releases, appear on television, speak to neighborhood associations and distribute pamphlets to businesses, schools and churches in their communities in an effort to achieve greater awareness of EITC. In 2008 the Initiative returned \$15 million to Hattiesburg families in EITC money at an average of more than \$2,100 per family. Part of the program's program is free electronic tax preparation, which allows for the return of tax refunds in as few as 5 to 7 working days.

Asset Building Campaign, Indianapolis, IN

Indianapolis' Asset Building Campaign began in 2002 in order to encourage more low-income families to apply for the Earned Income Tax Credit (EITC). Only 20,000 Indianapolis families received EITC in 2001. Campaign volunteers provide free tax preparation services, electronic filing, and financial counseling to eligible families. The Campaign has sites throughout Indianapolis at law firms, universities, hospitals, financial institutions, utilities and public libraries. In 2002 and 2003, a total of \$2 million in EITC money was returned to Indianapolis residents.

Lewiston-Auburn Tax Credit Awareness Coalition, Lewiston, ME

Since 2004, the Lewiston-Auburn Tax Credit Awareness Coalition has spread the word about the Earned Income Tax Credit (EITC). The Coalition offers free tax preparation sites, recruits volunteers to prepare/e-file tax returns, provides volunteers with IRS training and provides asset building informational opportunities for those seeking financial literacy. Between 2004 and 2006 the Coalition returned over \$2 million to the Lewiston-Auburn community.

Earned Income Tax Credit Education Campaign, Los Angeles, CA

The City of Los Angeles joined with the county and the IRS to launch a broader outreach effort in order to encourage eligible city residents to file for the federal Earned Income Tax Credit (EITC). About 20% of eligible California residents miss out on this valuable credit. The Los Angeles Community Development Department and Private Industry Council led the campaign and enlisted help from Mayor Antonio Villaraigosa's Office of Economic Development and the Chamber of Commerce. The EITC Education Campaign distributes EITC information to all city employees and to the city's "one stop" public benefit eligibility determination offices.

The campaign also expanded the capacity of the city's "Info Line" so that it could respond to thousands of EITC-related calls a year. Between March 1998 and 1999 there were 6,200 calls made to Los Angeles' "Info Line." In 2008 the campaign helped bring \$1.5 billion in refunds to qualified Los Angeles families. It also promoted Volunteer Income Tax Assistance (VITA) and AARP tax-aid sites that helped residents collect about \$11 million (up 59% from 2007) in EITC money and helped over 37,000 tax payers prepare their taxes for free.

Louisville Asset Building Coalition, Louisville, KY

The Louisville Asset Building Coalition (LABC) is a broad-based collaborative effort dedicated to promoting financial stability for individuals and families. By providing both direct services and links to other community resources, the coalition strives to build an economic foundation that will allow members of the Louisville community to reach their highest potential. LABC offers free tax services and financial education at various locations across the city. Together LABC and Volunteer Income Tax Assistance (VITA) served almost 7,500 families in 2009. Through the efforts and support from over 300 volunteers, partners and funders, LABC helped bring back \$3.97 million in Earned Income Tax Credit (EITC) money and \$8.18 million in general tax refunds.

Miami-Dade County Prosperity Campaign, Miami-Dade County, FL

Mayor Manuel Diaz's Office and the Board of County Commissioners head the Miami-Dade County Prosperity Campaign which reaches out to low-to-moderate income residents by offering free tax preparation and a tax hotline. The program's Free Tax Filing Assistance Sites are staffed by IRS trained volunteers. The program also helps residents apply for the Earned Income Tax Credit (EITC) and Child Tax Credit by sending out direct mailings and directing a media campaign to increase awareness. Last year brought \$578 million in EITC money back to the families in Miami-Dade County.

Milwaukee Asset Building Coalition, Milwaukee, WI

The Milwaukee Asset Building Coalition (MABC) is a private/public partnership that helps low-income Milwaukee County residents achieve financial independence through education, planning and income. The Social Development Commission (SDC) is the lead agency for MABC. The Coalition focuses on education/awareness, free tax filing services, asset development and income evaluation. The free tax filing service promotes the Earned Income Tax Credit (EITC), child tax credits and other state and federal tax credits. The asset development service links individuals filing taxes to education about the banking system and the process of obtaining savings and checking accounts, as well as financial literacy information on individual money management and asset development programs surrounding asset accumulation and maintenance. Voluntary Income Tax Assistance (VITA) sites are located throughout the Milwaukee County to prepare low-income resident's taxes and file them electronically for free.

Pierce County Asset Building Coalition, Pierce County, WA

The Pierce County Asset Building Coalition is a collaboration of 50 partners that works to actively engage all of Pierce County residents in building prosperity. The Coalition developed programs to give low-income wage-earners the tools they need to control, manage and increase their financial resources. The Coalition helps families file for the Earned Income Tax Credit (EITC), trains volunteers to provide free tax preparation services and e-filing returns, streamlines referrals to other services and benefit programs, provides financial education classes, protects families from predatory lending, fraud and consumer scams, improves access to mainstream banking services and offers individual development accounts that enable participants to save for long-range goals such as college, buying a home and starting a small business.

Family Economic Success Program, San Antonio, TX

The goal of the Family Economic Success Program (FESP) is to improve the economic success of San Antonio families by providing opportunities to build assets through the use of tax credits, savings and financial literacy. Created in 2001, FESP focuses on informing San Antonio families about EITC. The program now includes the Department of Community Initiatives (DCI), Internal Revenue Service, Annie E. Casey Foundation, United Way, Catholic Charities, local colleges, businesses, and banking institutions including Frost Bank, Bank One and Wells Fargo. Through the Volunteer Income Tax Assistance Program (VITA), the FESP Coalition provides free income tax assistance to taxpayers with income lower than \$36,000. In 2004, the FESP completed 19,920 tax returns and returned \$49.6 million in refunds to San Antonio taxpayers. The Coalition also offers referral services to other available services at VITA sites, such as Food Stamps, Children's Health Insurance, Individual Development Accounts, housing counseling, financial literacy training and emergency services.

Working Families Credit, San Francisco, CA

The Working Families Credit (WFC) gives a \$100 tax credit to low-income working families who qualify for the federal Earned Income Tax Credit (EITC) in San Francisco. WFC is a locally funded and began in 2005. In its first year, WFC gave checks, which averaged \$220, to 10 percent of EITC applicants or 10,000 San Francisco families.