

More than 100 Cities Helping Families Claim Earned Income Tax Credit

by Sarah Bainton Kahn

As families throughout the country file their tax returns, city leaders are hosting campaign kickoff events to alert low-income working families about their eligibility for the Earned Income Tax Credit (EITC).

Local elected officials in more than 100 cities and towns are taking part in these campaigns, in partnership with coalitions composed of local United Way of America organizations, financial institutions and other businesses, universities, the Internal Revenue Service (IRS), chambers of commerce and nonprofit community organizations. Campaign kickoff events have included news conferences, announcement of new services and products, and speeches by local officials.

About the EITC

The EITC is a refundable federal income tax credit that benefits low-income working families and also brings federal dollars back into the community. Often cited as the nation's most effective federal anti-poverty program, the IRS estimates that EITC returns brought \$30.4 billion to more than 19 million families in 2007. For a family of four, taxpayers must earn less than \$39,783 to claim the EITC, and the maximum refund would be \$4,716.

In addition to raising awareness about the EITC, outreach campaigns inform residents about free tax preparation services, such as Volunteer Income Tax Assistance (VITA) sites. City officials can be instrumental in offering space for VITA sites, recruiting tax preparation volunteers and increasing the visibility of campaign efforts.

City EITC Campaigns

In Baltimore, the Creating Assets, Savings and Hope (CASH) campaign, now in its seventh year, will host 17 free tax sites across the city in 2008 with a goal of preparing more than 10,000 returns. Baltimore's efforts will bring an estimated \$15 million to families, while saving them another \$1 million in tax preparation fees.

To celebrate the launch of this year's campaign, Mayor Sheila Dixon, City Council President Stephanie Rawlings-Blake, Congressman Elijah Cummings and Maryland Comptroller Peter Franchot marked the opening day of the largest CASH Campaign site.

"I encourage everyone to take advantage of this very important financial resource," said Mayor Dixon. "The Baltimore CASH Campaign helps working individuals and families make the most of their tax returns, moving them toward a more sound financial future."

When Trenton, N.J., Mayor Douglas Palmer realized that \$3 million in EITC refunds were going unclaimed, the city created the Greater Trenton Earned Income Tax Credit Asset Building Coalition to take action. This coalition of more than 30 organizations opened five VITA sites, advertised the United Way's 211 hotline, put up billboards in English and Spanish, issued public service announcements, kicked off the EITC campaign at City Hall and disseminated materials on the EITC to city employees, daycare centers and faith- and community-based organizations. The city also partnered with the American Credit Alliance to dispatch "Debt Mobiles" that travel around the city and provide financial education, credit scores and counseling, and the opportunity for tax filers to take advantage of financial products such as bank accounts.

"In 2005, EITC returns in our county increased 53 percent, resulting in more than \$4 million more in returns for low-income, working families," said Mayor Palmer. "The EITC program will put needed cash in people's hands. It will give them additional income to pay for necessities such as utilities and rent, boost the local economy and increase individual purchasing power."

This year, the City of Las Vegas is hosting its first official EITC campaign in partnership with the United Way of Southern Nevada, the IRS and other public and private partners. The "Earn It! Keep It! Save It! Campaign" supports 17 free tax sites that will serve 5,000 clients this tax season and provide credit and homeownership counseling in English and Spanish. Nevada First Lady Dawn Gibbons presented a proclamation to help launch the campaign on January 31.

Mesa, Ariz., Vice Mayor Claudia Walters helped launch this year's EITC collaboration effort at Mesa Community College with IRS and Mesa United Way representatives. In the first weekend of this tax season, more than 100 volunteers helped taxpayers claim the EITC, with an average return of \$1,285 per client.

Details: To learn more about EITC outreach campaigns or to view the EITC toolkit developed by NLC's Institute for Youth, Education, and Families, go to www.nlc.org/iyef/eitc, or contact Sarah Bainton at (202) 626-3044 or bainton@nlc.org.

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