



# The 2010 Tax Credit Outreach Campaign:

## *What You Need to Know*

For 20 years, the Center on Budget and Policy Priorities has led a national effort to promote tax credits for low- and moderate-income people who work. Our campaign partners include community organizations and institutions, human services providers and businesses, state and local government agencies, advocacy groups and many others. They inform families and individuals about the Earned Income Credit and the Child Tax Credit, let them know they may qualify, and link them to free tax filing assistance.

Each year new groups come on board as campaign partners, and organizations with longstanding campaigns try new ways to enrich their outreach efforts. No matter what stage your campaign is in, this Tax Credit Outreach Campaign Kit can help you move forward.

In this booklet, you will find what you need to know to develop an effective Outreach Campaign. You'll get basic facts about the credits and free tax filing assistance. You'll also explore the key elements of a successful campaign and find contact information for IRS staff in your area who can provide worthwhile assistance. The companion booklet in this kit, *Outreach Strategies*, includes a full stock of outreach campaign ideas, including examples of activities that have been used effectively in campaigns across the country.

The kit also contains full-color posters and flyers, envelope stuffers and other materials in English and Spanish that you can reproduce and use to promote the credits. Our Tax Credit Outreach website provides many added resources. Visit us at [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010) to find more detail on these rule changes, answers to questions

about how the tax credits work, fact sheets on additional federal credits, flyers in 19 languages in addition to English and Spanish and additional strategy ideas and materials. For a closer look at what the website offers, see: ***Find It On the Web*** on p. 27 of this booklet.

If you need additional information, materials or technical assistance, the Tax Credit Outreach Team at the Center on Budget and Policy Priorities is standing ready to help. Just call us at 202-408-1080 or email us at [eickit@cbpp.org](mailto:eickit@cbpp.org).

## **Tax Credits for Workers Expanded for 2009! Millions of Children to Benefit**

The American Recovery and Reinvestment Tax Act of 2009 (ARRA) enacted important expansions of the Earned Income Credit (EIC) and Child Tax Credit, as well as the new Making Work Pay Credit (MWPC) and the American Opportunity Tax Credit (AOTC). Fact sheets in this booklet explain more details for these changes.

- **More EIC benefits for larger families.** A new tier of benefits has been added to the EIC, providing larger benefits to families with three or more children. Their maximum credit increases to \$5,657, from \$5,028 under previous law, an increase of \$629.
- **EIC income limits rise for married workers.** The maximum EIC income level for married workers is set higher than for single workers. ARRA increased this income difference to \$5,000 from the previous level of \$3,000. For many families, this results in an increase of about \$400 in their EIC.
- **Child Tax Credit — very low-income families now qualify.** The income at which a worker can get the refundable CTC is reduced to \$3,000 in 2009, from \$8,500 in 2008. For example, a worker earning \$6,000, who previously did not qualify for the CTC, would receive a \$450 credit.
- **The Making Work Pay Credit.** The MWPC is worth up to \$400 for an individual and \$800 for a married couple filing jointly. Many workers received their MWPC as an adjustment to their paychecks in 2009, but the MWPC fact sheet in this booklet describes which workers did not and will need to claim it on their 2009 tax return.
- **The American Opportunity Tax Credit.** The AOTC can make education more affordable for lower-income people who might not otherwise be able to attend college.

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# Making Sense of Tax Credits: What are the EIC and the CTC? What is VITA?

The **Earned Income Credit (EIC)** and the **Child Tax Credit (CTC)** are federal tax benefits for low- and moderate-income workers. The EIC can be worth up to \$5,657 for families who worked in 2009. Workers raising children who earned less than about \$45,000 in 2009 may be eligible for the EIC. Workers not raising children who earned less than about \$13,000 also can qualify. In addition to the EIC, some families also can get the CTC, which can be worth up to \$1,000 per child. The credits can reduce the amount of income taxes workers owe — but even workers who owe no taxes can qualify for the credits.

To claim the credits, eligible workers must file a tax return. Preparing a tax return can be complicated and may seem overwhelming. Tax filers often seek help from commercial tax preparers who may charge high fees that reduce the value of any refund the worker is eligible to receive. That's why it's so important for low-income tax filers to know there's an alternative: **Volunteer Income Tax Assistance (VITA)**. This IRS-sponsored program works with community organizations to provide high quality tax preparation to low-income tax filers — free of charge!

You can find more details on the EIC, the CTC and VITA starting on p. 11 of this booklet.

## ***Reaching Out to Those Who May Be Missing Out***

According to national estimates, 20 to 25 percent of eligible workers do not claim their EIC

benefits. That means millions of dollars are not finding their way into the pockets of the working families and individuals who have earned that money. As a result, they are going without the income boost they could be getting to help them keep their jobs and care for their families.

Community-based outreach efforts are the best way for eligible workers to learn about the credits and how to claim them.

### **Your outreach efforts can make a difference for:**

**Workers who earned too little to be required to file a tax return:** They need to know that they do have a reason to file: It's the only way they can claim the credits and get money they've earned.

**Workers who are eligible to claim the credits for the first time:** Workers just entering the labor force may not know about the credits and may not be familiar with tax filing procedures. Workers who were not eligible in the past, but who now qualify because their employment situation changed or because they had a child, may not know they can claim the credits.

**Workers who may mistakenly think the credits are not meant for them:** Foster parents, grandparents raising grandchildren, people serving in the military, and parents of children with disabilities may not realize they can qualify, or that special rules apply to them. Workers who were eligible for the credits in the past but who did not claim the credits may not know they can file for the credit up to three years back and get the money they missed out on.

**Workers who didn't know they could get their tax forms filed for free:** They may have paid high fees in the past to get their tax forms completed, draining money away from the full amount of their tax credit.



# An Effective Outreach Campaign: A Spectrum of Involvement Where All Partners Can Find A Place

Over the past two decades, a great deal has been learned from outreach efforts conducted by organizations across the country. Their experience has helped to identify **six key elements** of a successful Tax Credit Outreach Campaign. It may be helpful to think of these elements as a “spectrum of involvement” or a range of activities. The spectrum starts with simple ways of conveying the message about the tax credits and moves toward more intensive efforts that weave outreach into the ongoing work of organizations and institutions that interact with eligible workers.

## *The six key elements include:*

- 1** Distributing information about the tax credits and free tax filing help
- 2** Enlisting partners to reach out through their own networks and contribute to the overall campaign
- 3** Conducting outreach events and creating opportunities for workers to get help filing their tax returns
- 4** Increasing the number of VITA sites and improving the services they offer
- 5** Keeping the public eye on the campaign
- 6** Working to sustain outreach efforts into the future

Campaigns often start with the most basic activity: distributing information. They evolve over time to include broad community involvement that brings together the resources to sustain outreach on an ongoing basis. Throughout the life of a campaign, any given organization can find a way to become involved based on how closely tax credit outreach fits with its specific mission or depending on the special skills or resources it may be able to contribute. The important thing is that all potential partners see that they have a role to play in making the campaign as effective as it can be.

## **Read On to Learn More About the Six Key Elements of A Successful Tax Credit Outreach Campaign**

**1. Distribute information about the tax credits and free tax filing help.** This kit contains much of the materials you will need for your campaign. There are full-color posters, as well as easy-to-reproduce flyers and envelope stuffers in English and Spanish. There also are materials that explain the value of free tax filing assistance and let tax filers know what documents to bring to a VITA site. You may wish to customize the posters and flyers by adding the contact information for the nearest VITA site or a local toll-free hotline number where more information about the credits and free tax filing opportunities are available. These items, as well as flyers translated into 19 additional languages and other useful materials, also are available on the Tax Credit Outreach Campaign website: [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010).

Getting this information into the hands of eligible workers is fundamental to a successful Outreach Campaign. If you are just beginning a campaign, or if tax filing season is fast approaching and there isn't



At the University of Wisconsin Extension in Adams County, the Nutritional Education Program (NEP) educators use their in-depth knowledge of the rural community to make tax credit outreach efforts as effective as possible. NEP educators analyzed where families that might benefit from the tax credits can be reached within the community and created partnerships to carry the message. To reach workers who do not speak English, NEP worked with a teacher at a local public school who was already acting as a liaison to these families. NEP called local markets and asked them to distribute flyers with both healthy recipes and EIC information to reach budget-conscious shoppers. Enlisting the help of the Milwaukee IRS, NEP displayed posters in five community gathering spaces and distributed 600 flyers, 190 brochures, and 250 tax-themed newsletters.

**Contact:** Theresa Wimann, University of Wisconsin, (608) 339-4237 or [Theresa.wimann@ces.ewex.edu](mailto:Theresa.wimann@ces.ewex.edu).

much time to organize more intensive efforts, distributing these basic materials will still have an important impact. Include information about the tax credits and VITA in school or congregation newsletters, in employee pay envelopes and consumer mailings, such as utility bills and shopper's circulars that are mailed to community residents. Arrange to display posters in employee break rooms, in store windows, on public transportation, in libraries, in offices where people apply for public benefits and other places where eligible workers are likely to see them.

**2. Enlist partners to reach out through their own networks and contribute to the overall campaign.** Partners are the backbone of a vibrant and successful outreach campaign. They bring valuable contacts, skills and resources (staff, time, funding) to the table. Partners also can help enrich the campaign by recruiting VITA volunteers or by underwriting printing, publicity or other costs. Outreach partners may include:

- Community organizations
- Nonprofit human services organizations
- Civic and service organizations
- Schools
- State and local governments
- Community development corporations
- Employers and local businesses
- Goodwill Industries
- Child care and foster care agencies
- Public benefit programs
- Labor unions
- Utility companies
- Banks
- United Way
- Legal assistance programs
- Faith-based groups
- Food banks and shelters

***The key to distributing information effectively is three-fold: early, often and as widely as possible... Whether you're using email or [placing] flyers on cars, devise a plan to get tax credit information out to the community on an ongoing basis. Even if it's once a month or every other week, the message needs to be repeated.***

***Latisha Latiker, Children's Defense Fund, Southern Regional Office, Jackson, MS***

Organize a meeting to find out what potential partners may be doing already to promote the EIC and the CTC. If outreach work is not already underway, bring organizations together to establish an outreach coalition. Train potential partners about the EIC and CTC and why it is important for them to inform their employees, customers, clients, members and others. A training session for potential partners can be the start of building a far-reaching Outreach Campaign. For example, conducting a training session for the Chamber of Commerce could lead to the involvement of businesses throughout the community. The social action committee at a local church may include members who also are business leaders, school officials or hold other prominent positions. Thus, engaging the congregation in the campaign could be a link to other outreach opportunities. A successful Outreach Campaign will offer partners a wide range of ways to contribute. Encourage partner organizations to incorporate outreach activities into their own work, and challenge them to work together to build the capacity of the campaign.

### **3. Conduct outreach events and create opportunities for workers to file tax returns for free.**

Take advantage of places where eligible people may gather — such as tenant meetings in housing developments, PTA meetings, community sporting events, civic or cultural events, community health or job fairs or other activities — to distribute information about the tax credits and VITA. Set up your own special event that draws attention to the Tax Credit Outreach Campaign. Organize free tax filing opportunities at the community events, publicizing them in advance so tax filers know what documents to bring with them. Your IRS Territory Manager can help identify trained volunteers to help prepare tax returns at the event. Retired or volunteer accountants, the Society of Certified Public Accountants, or students also may be able to assist.



The New York State Office of Temporary and Disability Assistance (NYSOTDA) is a founding member of the CASH Coalition of the Greater Capital Region which has grown to include over 50 partners in six years. NYSOTDA participated in Super Saturday events in three communities during 2009 to promote work supports such as food stamps, health insurance and energy assistance, in addition to tax credits. The Super Saturday events also linked participants to banking and financial education opportunities. During the first six months of 2009, NYSOTDA representatives made 53 formal group presentations and staffed 14 conferences, where they introduced tax credit and work support information to local businesses, community-based organizations, and social service agencies. NYSOTDA also distributed written materials, and managed a comprehensive website, estimating that it shared information with 1,500 employers. In 2009, NYSOTDA coordinated 23 VITA sites in local departments of social services, filing a total of 7,678 tax returns with the help of more than 200 volunteer tax preparers.

**Contact:** *Mark Schaffer, NYSOTDA, (518) 474-9346 or [Mark.Schaffer@otda.state.ny.us](mailto:Mark.Schaffer@otda.state.ny.us).*

**4. Increase the number of VITA sites and improve the services they offer.** Few communities have enough VITA sites or sites that are in locations that are most convenient for eligible

workers. Community action agencies, schools, recreation centers, libraries, housing developments, public assistance offices or other places that have good connections with eligible workers are ideal locations for VITA sites. Work with your IRS Territory Manager to establish new VITA sites. Help improve services at existing VITA sites by enlisting local businesses to donate computers to enable the site to offer electronic filing, which gets filers their



To increase the accessibility of free tax preparation, PathWays PA provides services to four counties in Pennsylvania through both mobile and fixed VITA locations. Armed with portable laptops and printers, the 31-year-old nonprofit organization overcomes barriers to reaching low-income workers, immigrant workers, and workers with disabilities by traveling directly to where those families live and work. In 2009, PathWays PA arranged a total of 70 mobile tax preparation clinics, and up to five per day during the height of the tax season. Clinics are located primarily at child care centers, welfare-to-work offices, libraries, and health care facilities and are promoted using flyers, print media and television spots. In addition to free tax filing, PathWays PA screens individuals for eligibility for other work supports and provides financial education at many of the mobile clinics. In 2009, PathWays PA filed approximately 1,000 returns, of which 604 were prepared at mobile clinics.

**Contact:** Lyn Kugel, PathWays PA, (610) 543-5022, or [lkugel@pathwayspa.org](mailto:lkugel@pathwayspa.org).

***Everything is relational. While tax season will come to an end, partnerships should not. Continual communication with all partners is imperative. As a "Professional Friend Maker," I call our partners once a month or visit them to strengthen our relationship so that everyone is ready once tax season rolls around. If you don't nurture partnerships and establish a personal connection in addition to the business relationship, they will not trust you enough to take it to the next level.***

***Kelly Hugunine, Community Services Agency Development Corporation, Reno, Nevada***

refunds more quickly. Recruit bilingual volunteers or provide interpreters in communities where tax filers speak languages other than English. Work to ensure that VITA sites are accessible to people with disabilities. Enlist volunteers to provide child care while parents are getting their taxes filed.

## **5. Keep the public eye on the campaign.**

Media coverage can keep public attention on the progress of your Tax Credit Outreach Campaign and also can attract new partners and volunteers. Nurture a good relationship with the media by demonstrating that you are a responsive and reliable source for information. Always keep the main message front and center: The tax credit story is about hard-working people raising families and trying to achieve financial security.

Send news about the tax credits and your campaign activities to newspapers and radio and television stations. Include reporters and columnists who cover human services, personal finance, and business issues, as well as those who write feature stories. Meet with

the editorial board. Send information to hosts and producers of community affairs programs and local talk shows. Remember to include non-English language media. Weekly or small community newspapers may be willing to print your flyer as an advertisement. Shoppers' guides and circulars that advertise in-store sales are good places to run tax credit messages. Radio and TV stations may agree to air public service announcements (PSAs). Transit authorities could be persuaded to donate the space for ads on bus shelters, buses and trains. In some movie theaters, slides with local ads are projected on the screen before the film. Ask the manager if a tax credit ad can be included.

***[An important aspect of] sustainability is predicated on the idea of going beyond merely helping people get the EIC. While helping working families access the EIC one year is terrific, forward-thinking organizations realize that a multi-year approach combining EIC outreach and asset building is the best bet for helping those families build financial stability.***

***Jason Sabo, United Way of Texas, Austin, Texas***

Think about partners with the resources and connections to get coverage for the campaign. The support of elected officials and other high-profile community leaders can draw attention to the campaign. Public agencies, community colleges, or utility companies may have regular space in the local paper or a routine timeslot on local radio or cable TV. Visit the Tax Credit Outreach Campaign website, [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010), for more ideas on working with the media.

**6. Work to sustain outreach efforts in the future.** Work on making outreach activities an integral part of how organizations in the community operate. For example, businesses may start by posting tax credit flyers on the lunchroom bulletin board, but they can institutionalize outreach by including tax credit information in the orientation for new employees. A community college may conduct training for students who wish to volunteer at local VITA sites. The college can institutionalize tax credit outreach by sponsoring its own VITA site and initiating a system for informing its employees and students about the credits and where to get free tax filing help on campus. (This could be a campus-wide email or notices with paychecks or end-of-term grades, for instance.) Identify funding and other resources that can add stability to a budding campaign and help it grow.

## Fundraising

Tax Credit Outreach Campaigns can operate on the in-kind support of its partners, but as the campaign broadens and intensifies, specific funding may be necessary. Community foundations, in particular, may have a special interest in the economic health of their community. Civic groups, local businesses or the United Way may help provide support for the campaign. Government funding, such as the Community Development Block Grant or special state outreach grants, may be available.

Campaigns will have to make the case for why tax credit outreach is needed. The Brookings Institution provides data on EIC claims by zip code at [www.brookings.edu/metro/EITC/EITC-Homepage.aspx](http://www.brookings.edu/metro/EITC/EITC-Homepage.aspx). This information can help you document the need for outreach and help pinpoint where outreach efforts should be targeted. For other ideas on making the case for outreach visit the Tax Credit Outreach Campaign website at [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010).



# The Earned Income Credit: A Powerful Benefit for People Who Work

## ***What is the Earned Income Credit (EIC)?***

The EIC is a tax benefit for working people who earn low or moderate incomes. It has several important purposes: to offset taxes, to supplement very low wages, and to provide a work incentive.

The EIC can offset some or all of the taxes workers must pay, such as payroll taxes, and can help cover any federal income tax workers may still owe at tax time. Besides offsetting taxes, workers earning low wages may also get cash back through the EIC refund. Workers who qualify for the EIC and claim it on their federal tax return can receive a refund check from the IRS even if their earnings were too small to owe income tax.

## ***Who can get the EIC and how much is it worth?***

Single or married people who worked full-time or part-time at some point in 2009 can qualify for the EIC, depending on their income.

- Workers who were raising one child in their home and had income of less than \$35,463 (or \$40,463 for married workers) in 2009 can get an EIC of up to **\$3,043**.
- Workers who were raising two children in their home and had income of less than \$40,295 (or \$45,295 for married workers) in 2009 can get an EIC of up to **\$5,028**.

## **Who is a “Qualifying Child” for the EIC?**

- Sons, daughters, stepchildren, grandchildren and adopted children
- Brothers, sisters, stepbrothers, or stepsisters — as well as descendants of such relatives
- Foster children who are placed with the worker by an authorized government or private placement agency

“Qualifying children” must live with the worker for more than half of the year. They must be under age 19, or under age 24 if they are full-time students. Children of any age who have total and permanent disabilities also may be qualifying children. Valid Social Security numbers are required for qualifying children born before December 31, 2009.

- **NEW!** Workers who were raising three or more children in their home and had income of less than \$43,279 (or \$48,279 for married workers) in 2009 can get an EIC of up to **\$5,657**.
- Workers who were not raising children in their home, were between ages 25 and 64 on December 31, 2009, and had income below \$13,440 (or \$18,440 for married workers) can get an EIC up to **\$457**.
- Workers with investment income exceeding \$3,100 in 2009 may not claim the EIC.

*Note: New changes to the qualifying child rules take effect in 2009, which may affect eligibility for a small number of tax filers in the 2010 filing season. Check [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010) for more details.*

## ***How does the EIC work?***

- **Eligible workers can pay less in taxes and get a check from the IRS.** Mr. and Mrs. Johnson have two children, ages 21 and 22, in college. They earned \$32,000 in 2009 and owe the IRS \$200 in income tax — none of it withheld from their pay during the year. Their income makes them eligible for an EIC of \$2,800. So, the EIC eliminates their \$200 income tax — now they owe the IRS nothing — and gives them a refund of \$2,600.
- **Eligible workers who owe no income taxes can get a check from the IRS.** Marlene Rogers is raising two children and earned \$10,000 in 2009. Her Social Security payroll tax was \$765. She is eligible for an EIC refund check of \$4,000 — it pays her back the amount of her payroll tax and she gets \$3,235 in addition.

## ***How do you get the EIC?***

- Workers raising a “qualifying child” in their home in 2009 must file either Form 1040 or 1040A and must fill out and attach Schedule EIC. Workers with children cannot get the EIC if they file Form 1040EZ or do not attach Schedule EIC. Married workers must file a joint return to get the EIC.
- Workers who were not raising a “qualifying child” in their home in 2009 can file any tax form — including the 1040EZ. These workers write the dollar amount of their credit on the Earned Income Credit line on the tax form. They do not file Schedule EIC.
- A correct name and Social Security number must be provided for each filer listed on the tax return and each child listed on the Schedule EIC. If this information is incorrect or missing, the IRS will delay the refund.

**Workers raising children can get the EIC in their paychecks!** Workers who are raising children can get part of their EIC in their paychecks throughout the year and part in a check from the IRS after they file their tax return. This is called the Advance EIC. To get the Advance EIC, eligible workers fill out IRS Form W-5, the “Earned Income Credit Advance Payment Certificate,” and give it to their employer. *For more information, see [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010).*

## ***Workers can get FREE help filing their tax forms***

Many families that apply for the EIC pay someone to complete their tax forms. This can often cost between \$55 and \$130, or can be more. Getting a “quick tax refund” that comes back in a few days costs even more. Paying for tax preparation takes away from the value of the EIC. But low-income workers can get free help with tax preparation through a program called VITA (Volunteer Income Tax Assistance).

## ***Does the EIC affect eligibility for other public benefits?***

The EIC does not count as income in determining eligibility for benefits like cash assistance (“welfare”), Medicaid, food stamps, SSI or public housing. Some benefit programs count saving the EIC as a resource under certain circumstances.

## ***Can immigrant workers get the EIC?***

Many immigrants who are legally authorized to work can qualify for the EIC, as long as they meet the other eligibility requirements.



# The Child Tax Credit: An Extra Tax Break for Working Families!

## What is the Child Tax Credit?

The Child Tax Credit (CTC) is a federal tax credit worth up to \$1,000 in 2009 for each qualifying child under age 17 claimed on the worker's tax return. Since 2001, the CTC has been available to millions more low- and moderate-income working families and provided many families a larger CTC than they could have received in the past. This "Additional CTC" is refundable, meaning some families can get the credit even if they owe no income tax. Eligible families can receive the "Additional CTC," or CTC refund, in a check from the IRS.

## Who Can Claim the Child Tax Credit Refund?

To be eligible for the CTC refund, a single or married worker must:

- have a qualifying child under age 17;
- have taxable earned income above \$3,000 (new in 2009); and
- have either a Social Security number (SSN) or an Individual Taxpayer Identification Number (ITIN). ITINs are issued by the IRS to individuals who are unable to obtain a Social Security number. *Immigrant workers with either type of number may be able to claim the CTC refund.*

## Can a working family get both the Child Tax Credit refund and the Earned Income Credit?

Yes!! Most low-wage working families that qualify for the CTC refund will also be eligible for the EIC. For many families that qualify for both credits, the EIC will be larger, but the CTC still will provide a significant income boost. Despite the overlap in eligible families, there are important differences in the eligibility rules for the two credits and in the procedures for claiming them.

### Who is a "Qualifying Child" for the CTC?

- Sons, daughters, stepchildren, grandchildren and adopted children
- Brothers, sisters, stepbrothers, or stepsisters — as well as descendants of such relatives
- Foster children who are placed with the worker by an authorized government or private placement agency
- \* Age — A child claimed for the CTC must be under age 17 at the end of 2009.
- \* Residence — The child must live with the worker for more than half of the year in the U.S. and must be either a citizen or a resident alien. The child must have either a valid Social Security number or an Individual Taxpayer Identification Number (ITIN).

*Note: a child may not be claimed for the CTC if the child provides over one-half of his or her own support; the worker must claim the dependent exemption for the child.*

- a non-custodial parent who is allowed to claim his or her child as a dependent by a divorce or separation agreement is the parent entitled to claim the child for the CTC.
- new changes in 2009 to the qualifying child rules may affect eligibility for a small number of tax filers in the 2010 filing season. Check [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010) for more details.

## ***How do families get the Child Tax Credit refund?***

1. **File a federal income tax return — Form 1040 or 1040A, but not 1040EZ.** The instructions and worksheet included in the IRS tax form packet will help tax filers figure their income tax and calculate their maximum possible CTC. The CTC is first used to reduce or eliminate any income tax a tax filer owes. If any of the CTC is remaining after the income tax has been eliminated (i.e. if the family’s income tax was less than its maximum CTC), the tax filer moves on to the next step in the process — Form 8812.
2. **File Form 8812.** Form 8812, “Additional Child Tax Credit,” is used to find out if the family qualifies for a CTC refund and, if so, the amount of the refund. This form must be attached to the tax return for a family to receive the CTC refund.

## ***How does the CTC work?***

- Eligible families can get up to \$1,000 for each qualifying child under age 17 claimed on their tax return. (For example, a parent with two such children can claim a CTC of up to \$2,000 — 2 children x \$1,000.) The CTC first is used to reduce or eliminate a family’s income tax

liability. Families may also be able to get all or part of any remaining CTC as a refund.

- The CTC refund is based on the amount by which the earned income of a worker (and spouse, if married) exceeds \$3,000. Families with any CTC remaining after their income tax liability has been eliminated may receive a refund in the lesser of two amounts: (1) the amount of the family’s CTC that remains, or (2) 15 percent of the family’s earned income over \$3,000. Here’s an example of how a family can benefit:

Maxine is a single parent with a 16-year-old child. She earned \$24,000 in 2009 and had \$435 in income tax withheld from her pay. (1) Her maximum CTC of \$1,000 is first used to eliminate her \$435 income tax, leaving \$565 of her CTC remaining ( $\$1,000 - \$435 = \$565$ ). (2) Fifteen percent (15%) of Maxine’s earnings over \$3,000 is \$3,150. Since this is more than the \$565 remaining in her CTC, Maxine is eligible to receive a CTC refund for the lower amount — \$565. Maxine’s check from the IRS will include:

• refund of withheld income tax	\$435
• her Additional CTC refund	\$565
• her EIC for one child	\$1,820
Her total refund =	\$2,820

## ***Does the CTC affect public benefits?***

The CTC refund does not count as income in determining eligibility for any federal, state or local program benefits, such as food stamps, SSI, or child care, financed even in part by federal funds. Some benefit programs count saving the CTC as a resource under certain circumstances.

# Comparing the Eligibility Requirements for the EIC and the CTC

EIC	CTC
<b>Qualifying Child</b>	
<ul style="list-style-type: none"> <li>• Son, daughter, grandchild, stepchild or an adopted child.</li> <li>• Brother, sister, stepbrother or stepsister (and their descendants).</li> <li>• Foster child <i>placed with worker by a government or private agency.</i></li> </ul>	
<b>Residency of Child</b>	
<ul style="list-style-type: none"> <li>• Must live with worker in the U.S. for more than half the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Must live with worker in the U.S. for more than half the year. Exception: A non-custodial parent who is permitted by a divorce or separation agreement to claim the child as a dependent.</li> </ul>
<b>Age of Child</b>	
<ul style="list-style-type: none"> <li>• Under age 19, or under 24 if a full-time student, or any age if totally and permanently disabled.</li> </ul>	<ul style="list-style-type: none"> <li>• Under age 17.</li> </ul>
<b>Income</b>	
<ul style="list-style-type: none"> <li>• 1 child—under \$35,463.</li> <li>• 2 or more children—under \$40,295.</li> <li>• 3 or more children — under \$43,279.</li> <li>• No children—under \$13,440.</li> <li>• Income limits for married workers are \$5,000 higher.</li> <li>• Investment income cannot exceed \$3,100.</li> </ul>	<ul style="list-style-type: none"> <li>• Must earn <i>more than</i> \$3,000.</li> <li>• No limit on investment income.</li> </ul>
<b>Credit Amount</b>	
<ul style="list-style-type: none"> <li>• 1 child—<i>up to</i> \$3,043.</li> <li>• 2 children—<i>up to</i> \$5,028.</li> <li>• 3 or more children — <i>up to</i> \$5,657</li> <li>• No children—<i>up to</i> \$457.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Up to</i> \$1,000 per child.</li> </ul>
<b>Dependency</b>	
<ul style="list-style-type: none"> <li>• Not required (except for a claim by a married parent who separated from his or her spouse during the first half of the year).</li> </ul>	<ul style="list-style-type: none"> <li>• Must be able to claim child as a dependent and claim the exemption on the return.</li> </ul>
<b>Immigration</b>	
<ul style="list-style-type: none"> <li>• Worker, spouse and qualifying child must each have a valid SSN that permits them to work legally in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>• Child must be a U.S. citizen or a resident alien; SSN or ITIN for parents and children is required.</li> </ul>
<b>Sources of Earned Income</b>	
<ul style="list-style-type: none"> <li>• Wages, salary, tips.</li> <li>• Earnings from self-employment.</li> <li>• Union strike benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Employer-paid disability.</li> <li>• Military combat pay (tax filer can choose to count for EIC, must count for CTC).</li> </ul>
<b>Special Forms</b>	
<ul style="list-style-type: none"> <li>• Schedule EIC required for workers claiming children</li> </ul>	<ul style="list-style-type: none"> <li>• Form 8812 “Additional Child Tax Credit”</li> </ul>
<b>Impact on Public Benefits</b>	
<ul style="list-style-type: none"> <li>• Not considered income for food stamps, SSI, Medicaid, federal housing, foster care or adoption assistance.</li> <li>• Does not count toward resource limits in the month of receipt or the following month. Exceptions: SSI—counts after 9 months; food stamps—counts after 12 months.</li> <li>• Rules regarding other benefit programs are state-determined.</li> </ul>	<ul style="list-style-type: none"> <li>• Not considered income for any federal, state, or local program financed even in part by federal funds.</li> <li>• Generally does not count toward resource limits in the month of receipt or in the following month. Exception: SSI—counts after 9 months.</li> </ul>



# What Is Earned Income for the Earned Income Credit and Child Tax Credit?

## *Earned Income*

### **Includes:**

#### **Taxable Earned Income:**

- Wages, salaries, and tips
- Union strike benefits
- Long-term disability benefits received prior to minimum retirement age
- Net earnings from self-employment
- Gross income received as a statutory employee
- **Exception:** Military combat pay is non-taxable earned income, up to the highest pay level for enlisted personnel. Combat pay is counted to determine eligibility for the CTC. Military personnel may choose to count their non-taxable combat pay in determining eligibility for the EIC, if it is advantageous to do so.

If investment income exceeds \$3,100, the EIC may not be claimed. Investment income includes taxable interest, tax-exempt interest, and capital gain distributions.

*For more detail, see IRS Publication 596, “Earned Income Credit.”*

### **Does not include:**

- Interest and dividends
- Social security and railroad retirement benefits
- Welfare benefits
- Workfare payments
- Pensions or annuities
- Veterans’ benefits (including VA rehabilitation payments)
- Workers’ compensation benefits
- Alimony and Child Support
- Non-taxable foster care payments
- Unemployment compensation (insurance)
- Earnings for work performed while an inmate at a penal institution
- Taxable scholarship or fellowship grants that are not reported on Form W-2

### **Nontaxable earned income:**

- Salary deferrals (for example: under a 401(k) plan)
- Military basic housing and subsistence allowances
- Meals or lodging provided by an employer for the convenience of the employer
- Housing allowance or rental value of a parsonage for the clergy
- Excludable dependent care benefits
- Salary reductions such as under a cafeteria plan
- Anything else of value you get from an employer for services you performed even if it is not taxable



# The Making Work Pay Credit

## *What is it?*

The American Recovery and Reinvestment Tax Act of 2009 (ARRA) established the Making Work Pay Credit (MWPC), which took effect in 2009. The MWPC is a new tax credit worth up to \$400 for individuals and \$800 for married couples filing jointly, regardless of whether or not they are raising children. In order to quickly provide the increase in income from this credit to most workers during 2009, the IRS has adjusted the standard withholding tables which employers use to determine how much income tax is withheld from each paycheck. Less income tax is withheld to provide the benefit of the MWPC; as a result workers could get as much as \$50 per month in increased take-home pay in 2009.

## *Some eligible workers did not get the MWPC in paychecks*

Workers who did not get the MWPC in their paychecks will need to claim the MWPC as a refund on their 2009 tax return. These include:

- Workers who earned too little to have income tax withheld from their pay;
- Self-employed workers with net earnings who did not reduce the amount of income tax they paid in their quarterly estimated tax returns (low-income self-employed workers often do not file estimated returns); and
- Those who earned enough to have income tax withheld by their employer, but didn't work enough weeks in 2009 to receive their full MWPC. These workers can claim the balance of the MWPC as a refund on their 2009 return.

In order to claim the MWPC, tax filers must complete IRS Schedule M, "Making Work Pay and Government Retiree Credits," and attach it to the tax return.

## *Who is eligible for the MWPC?*

To qualify for the MWPC in 2009, a worker must have a valid Social Security number and cannot be claimed as a dependent for 2009 by another individual.

- There are no age limits for workers to qualify for the MWPC.
- The MWPC is a maximum of \$400 (\$800 for married couples filing jointly) for workers with adjusted gross income up to \$75,000 (\$150,000 for joint filers). At incomes above those levels, the amount of the MWPC phases out and reaches zero at \$95,000 (\$200,000 for joint filers).
- In the case of married couples who file jointly, at least one spouse must have a valid Social Security number for the couple to qualify for the MWPC. This means one spouse could have an ITIN and the couple could still be eligible for the MWPC.

## *Will the MWPC affect eligibility for other benefits?*

The MWPC does not count as income in determining eligibility for any other public benefit program funded, even in part, by federal funds. If the worker receives the MWPC as a refund and puts it in a bank account, it does not count toward the resource or asset limit of any such program for two months after the month when the refund was received. The MWPC also does not count as taxable income, so it will not affect eligibility for other credits such as the Earned Income Credit or Child Tax Credit.

## ***Will there be a MWPC in 2010?***

The MWPC will be available to workers in 2010 and will be worth the same amount as for 2009.

To take advantage of the MWPC, employees do not need to make any adjustments to the number of exemptions they claim. Thus, they do not need to give a new IRS Form W-4 “Employee Withholding Allowance Certificate” to their employer. However, some workers should adjust their withholding if they don’t want the MWPC in their paychecks because they may risk owing money back to the IRS:

- workers who are not eligible for the MWPC, such as dependents or those who don’t have a valid SSN. They risk owing additional tax when they file their return if they accept the MWPC increase in their take-home pay. They can avoid this in 2010 by adjusting their withholding on their Form W-4 with their employer to increase their withholding.
- workers who have more than one job. If the amount of income tax withheld is reduced at each job, ultimately they might receive more than \$400 in additional take-home pay from the MWPC and would owe additional income tax at the end of the year. Such workers should increase the amount withheld from their paychecks for any additional job they hold or adjust their Form W-4 with their employer if they start a second job later in the year.

## ***Economic Recovery Payments and the MWPC***

**Economic Recovery Payments.** ARRA also authorized a one-time \$250 “economic recovery payment” to be paid directly in 2009 to recipients of

Social Security retirement or disability benefits, Railroad Retirement benefits and Veterans This payment did not require a tax return to be filed to receive it. The payment doesn’t require a return to be filed in 2010. The payments were sent to the recipient in the same way in which their regular benefit payments were sent.

Individuals who received an economic recovery payment and who also were employed in 2009 will have their MWPC decreased by the \$250 payment when they file their return. They might wish to increase the amount withheld from their paychecks to avoid owing additional income tax in 2010.

**Government Retiree Tax Credit.** The ARRA also provided for a \$250 tax credit that can be claimed for 2009 by certain retirees of federal, state or local government employment whose wages were not covered under the Social Security system, and who may not otherwise receive the Economic Recovery Payment described above.

Such individuals may claim a \$250 credit when filing their 2009 tax return. The credit may be claimed even if the filer doesn’t have enough income to owe tax. This credit will reduce the amount of any MWPC the individual may also receive.

**The economic recovery payment and retiree tax credit do not count as income in determining eligibility for any other public benefit program that is funded, even in part, by federal funds.** If saved, economic recovery payments do not count toward the resource or asset limit of any such program for nine months after the month when the payment was received. The retiree credit does not count toward resource limits for two months after the month it is received. *For more detail on these Economic Recovery Payments, see the fact sheet at [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010).*



# Education Tax Credits for College and Job Training

## ***New Credit for College Takes Effect in 2009***

As part of economic recovery legislation in 2009, Congress enacted the American Opportunity Tax Credit (AOTC) for 2009 and 2010. This new credit expands the previous Hope Credit. The AOTC can make education more affordable for many more low-income families and students who might not otherwise be able to attend college. The Lifetime Learning Credit continues to be available to enable individuals to improve their job skills and increase their earning ability. Tax filers who claim an education tax credit may also claim the EIC and Child Tax Credit, if they qualify.

The AOTC is partly refundable. The major change to the previous Hope Credit rules is that up to \$1,000 of the AOTC may be claimed even if the individual earns too little to owe income tax.

## ***Who is Eligible to Claim the AOTC?***

The AOTC is available for students who are in their first four years of college (the Hope Credit covered only the first two years) and are pursuing an undergraduate degree. Filers may be eligible for the AOTC if they:

- paid for “qualified educational expenses,” whether for themselves, their spouse or their dependents, at an “eligible educational institution,” and
- have adjusted gross income in 2009 less than

\$80,000; \$160,000 if married (these limits are higher than under the Hope Credit rules). The amount of the AOTC phases-out at income levels above this.

- Immigrants who are resident aliens for tax purposes may also claim the AOTC.

## ***Qualified Educational Expenses for the AOTC Include:***

Tuition – the amount of tuition after tax-free contributions have been subtracted, such as:

- Scholarships
- Pell Grants
- Veterans Assistance
- Fellowships
- Employer Assistance

Course-related materials, whether or not they are required for enrollment at an educational institution.

The following are not qualifying expenses: insurance, medical expenses, room and board, transportation, other living or family expenses, and childcare.

## ***Eligible Educational Institutions***

- Colleges, universities, vocational schools
- Accredited schools eligible to participate in Student Aid programs of the U.S. Department of Education

## ***How Much Is the AOTC Worth?***

The AOTC is now worth up to \$2,500 — an increase from the Hope Credit’s maximum of \$1,800. The AOTC is figured by taking the first \$2,000 paid towards the student’s qualified educational expenses, and adding 25 percent of the next \$2,000 in educational expenses, up to \$2,500.

The AOTC provides a refundable credit worth 40% of this total, up to \$1,000. If no income tax is owed, the filer still qualifies for an AOTC up to \$1,000. If tax is owed, the balance of the credit is used to reduce the filer's tax liability.

For example, Maggie earned \$25,000 in 2009 and attended college half-time working toward her degree. Her tuition for the year was \$5,000. She owes \$1,565 in income tax. She qualifies for a maximum AOTC of \$2,500 (first \$2,000 in expenses + 25% of the next \$2,000 in expenses):

- a refundable credit of \$1,000 (40% of \$2,500), is subtracted from her maximum credit of \$2,500, leaving a balance of \$1,500;
- this reduces her \$1,565 income tax to \$65.

## The Lifetime Learning Credit

For students not pursuing a degree, the Lifetime Learning Credit is available at any point in their post-secondary education. For filers to be eligible for the full credit, adjusted gross income in 2009 must be less than \$50,000 (\$100,000 if married). The credit is 20 percent of the first \$10,000 of qualified educational expenses, up to \$2,000 per household, regardless of the number of

eligible students in the family. Unlike the AOTC, this credit only reduces income tax, and won't benefit families that owe no tax.

## Special Option for Midwest Disaster Areas

For 2008, Congress doubled the amounts that can be claimed under the Hope Credit and the Lifetime Learning Credit for students attending educational institutions in Midwestern disaster areas. This made the Hope Credit worth a maximum of \$3,600 in these areas, compared to the AOTC maximum of \$2,500. The filer has the option to use the prior year Hope Credit rules. For details on how to file and a list of counties where these rules apply, see *IRS Publication 970 "Tax Benefits for Education."*

## Claiming the AOTC and Lifetime Learning Credits

IRS Form 8863 is required to claim either credit. Form 8863 must be attached to the tax return (Form 1040 or 1040A). *For more information see IRS Publication 970 "Tax Benefits for Education."*

### Differences in Rules for the AOTC and Lifetime Learning Credit

#### American Opportunity Tax Credit

First four years post-secondary students

Student must be pursuing undergraduate degree or other educational credentials

Must be enrolled at least half-time

May not have felony convictions for possession of drugs or intent to distribute

Student is not claiming Lifetime Learning Credit

#### Lifetime Learning Credit

Students in any year of college or courses to acquire job skills

No degree or course study requirements

Enrolled in a minimum of one course

Felony drug rule does not apply

Student is not claiming AOTC



# New Split Refund Option: Purchase U.S. Savings Bonds

The IRS has announced that tax filers may directly purchase U.S. Savings Bonds in 2010 with their tax refunds. Filers will now be able to check off on their tax return that they want to use part of their tax refund to electronically purchase Savings Bonds. This is a new feature of the IRS split refund policy.

## ***What are split refunds?***

The IRS provides the “split refund” option to enable tax filers receiving a refund through direct-deposit to allocate portions of the refund directly into as many as three different accounts. This is designed to make it easier for tax filers receiving substantial refunds, such as from the EIC and CTC, to take advantage of savings and asset development opportunities at the same time they file their return. Using the split refund option, a filer could directly deposit part of a tax refund into a savings account, part into an Individual Retirement Account, and the remainder into a checking account. If they use this option, filers may not receive the balance of their refund as a paper check mailed by the IRS.

## ***Purchase Savings Bonds through a split refund***

When filing a return in 2010, filers choosing to split their refunds may now choose to purchase Savings Bonds and deposit the rest of the refund into as many as two other accounts. While Savings Bond purchasers normally have to establish an

account with the U.S. Department of Treasury in order to make a purchase, this preliminary step is not necessary when using the split refund option. The Treasury Department will mail the bonds directly to the filer. Pilot tests at free tax assistance sites in 2009 found that Savings Bonds were a popular and trusted savings option for taxpayers who might otherwise be reluctant to establish a savings account or Individual Retirement Account. The IRS provides a fact sheet on using a tax refund to purchase Savings Bonds at: [www.irs.gov/pub/irs-tege/ibond\\_questions\\_answers.pdf](http://www.irs.gov/pub/irs-tege/ibond_questions_answers.pdf).

Individuals often wish to purchase Savings Bonds in the name of a child or grandchild. This may not be done using the split refund tax return option in 2010, but will be possible in 2011.

Taxpayers should understand that while Savings Bonds are a risk-free investment, they are a long-term savings vehicle. They generally cannot be redeemed within a year of initial purchase, unless the owner lives in a disaster area. If the owner redeems a Savings Bond within five years of purchase, he or she loses the most recent three months of interest.

## ***What are the benefits to splitting a refund?***

Lower-income workers have many demands on their modest incomes and often lack a bank account in which to deposit savings. Receiving a large lump-sum EIC and CTC refund that averages over \$2,000, and for some is over \$5,000, provides an incentive to save, but most workers are reluctant to commit their entire tax refunds to savings.

The split refund option provides lower-income workers a convenient automatic savings mechanism that can facilitate their decision to save some of their

income. Such workers usually do not have the savings opportunities such as payroll deductions for deposits into 401(k) retirement plans. Designating a portion of a substantial tax refund for savings may enable workers to save more than they could by diverting only small amounts of their paychecks to savings. Split refunds also make it easier to participate in asset-building programs such as Individual Development Accounts (IDAs) that require individual savings.

## ***How does this work?***

Tax filers direct the IRS on how to split their refund among different accounts, by submitting Form 8888 with their return, providing the name of the financial institution, the filer's account numbers and the institution's routing transit number for direct deposits. The split refund option can be chosen whether the return is filed electronically or mailed, and it can be used with any of the IRS 1040 series of tax return forms, including the 1040-EZ. (Tax filers who want to deposit the entire amount of their refund directly into one account don't need to use this form and will continue to designate the account on the tax return form.)

## ***Outreach resources to promote split refunds***

The flexibility of split refunds and the Savings Bond option may enable organizations seeking to build stronger linkages between free tax preparation services and asset-building to develop new services attractive to lower-income taxpayers. For example, many VITA sites now partner with a bank or credit union to help tax filers without a bank account to open a new savings account at the site. In doing so, filers can obtain a refund more quickly by filing electronically and having the IRS deposit the tax refund directly into their account.

Several organizations involved in expanding asset development opportunities for lower-income workers, including the Brookings Institution, the D2D Fund, Inc. ("Doorway to Dreams"), and the New America Foundation, previously urged the IRS to offer the split refund opportunity to tax filers and have advocated for the Savings Bond purchase option. Pilot projects with community agencies providing free tax preparation assistance that showed that low-income taxpayers often would respond to the opportunity to save when offered the flexibility of split refunds. For example, one-fifth of VITA clients accepted the opportunity to use split refunds in a pilot conducted by the Community Action Project of Tulsa County in Tulsa, OK, and deposited nearly half the amount of their refunds into savings. Over three-fourths of these workers had no savings previously.

Proponents of the split refund option actively try to increase taxpayer awareness of this opportunity. The D2D Fund, in conjunction with the United Way of America and the National Community Tax Coalition, offers a free "Guide to Split Refunds" which can be ordered at the website [www.splitrefunds.net](http://www.splitrefunds.net). The Guide provides approaches on how Tax Credit Outreach Campaigns and VITA programs can market saving through split refunds at tax time, how to modify VITA site operations and training to build in the split refund process and how to build financial institution relationships and select savings products appropriate for lower-income workers. The website provides updates on IRS forms and procedures, tax filing software issues and examples of innovative local programs offering split refund opportunities. Also see D2D's website on the new option to purchase Savings Bond, [www.d2dfund.org/taxtimebonds](http://www.d2dfund.org/taxtimebonds).



# Free Tax Filing Assistance Through VITA

**Paying to file a Tax Return Can Drain Money from A Worker's Tax Refund.** Many people feel confused or intimidated when faced with filing a tax return. They often seek the services of a commercial tax preparer who may charge \$55 to \$130. Knowing that tax filers would like to get their refunds back quickly, the preparer may persuade the tax filer to go for a “refund anticipation loan” which can add another \$100 or even more to the cost. Low-income workers need every penny of their tax refunds and may not realize that they do not have to pay fees that drain money away from their refunds. That choice is VITA — Volunteer Income Tax Assistance — a program run by the IRS in conjunction with community based organizations.

**VITA is a Cost-Free Alternative.** VITA volunteers are trained, according to IRS guidelines, to fill out basic tax forms including the ones needed to claim the EIC and the CTC. There is no charge for VITA services. VITA sites are located in community action agencies, churches, libraries, public assistance offices, shopping malls, community colleges, and other public places. VITA sites are generally open from late January through April 15, although hours may be limited. Many VITA sites can file tax forms electronically, or can arrange for this to be done later at a central location. Filing electronically — having a return completed by computer — helps filers get a faster turn-around on a refund and makes it less likely that incomplete forms will be filed. This helps avoid refund delays and provides an alternative to expensive commercial fees.

**A big problem with VITA is that not enough people use it!** The most recent IRS

data available from tax year 2006 indicate 70 percent of EIC claims were filed through commercial tax preparers, while less than two percent of EIC recipients used VITA or other IRS-sponsored volunteer return preparation services.

**Why don't more people use VITA?** Tax filers may not know about VITA or where to find a convenient VITA site. Some communities have several VITA sites; others, such as rural communities, may lack the VITA sites they need. Sometimes VITA sites are not open at times when many working people can take advantage of them — in the evenings and on weekends.

## What Are Refund Anticipation Loans?

Many commercial tax preparers offer refund anticipation loans (RALs) to enable the taxpayer to get a check in the amount of his or her refund (less charges and fees) within a day or two. The “refund” in this situation is not coming from the IRS: It is a loan from a bank, arranged by the commercial tax preparer. The bank is repaid when the IRS sends it the taxpayer's refund check. The fees charged for the RAL are really up-front interest payments on the loan. If the EIC does not come back from the IRS in the amount expected, the taxpayer will have to repay the difference to the bank.

Some Tax Credit Outreach Campaigns have partnered with financial institutions to offer low-cost RAL alternatives. As part of the program, taxpayers get education about RALs and are informed that even without the RAL, they can get their tax forms filed electronically and can receive their refunds through direct-deposit.

## ***Promoting VITA is an Important Part of a Tax Credit Outreach Campaign***

### **Publicize the locations of VITA sites.**

Your IRS Territory Manager can provide a list. If it is not yet available, obtain the list from the previous year and call each location for up-to-date information. Share the list with your campaign partners and the media.

**Set up a hotline.** A telephone hotline can refer callers to the nearest VITA site. Some communities have a “2-1-1” hotline which connects callers to social services. United Way agencies may operate hotlines, such as “First Call for Help,” that can inform workers about the tax credits and VITA sites. If there are no existing hotlines, your campaign may be able to initiate one with the help of volunteers or a voicemail system. If these options are unavailable, callers can get VITA site locations by calling the IRS at 1-800-906-9887.

### **Enlist volunteers to staff VITA sites.**

Volunteers do not have to have a tax background,

## **Tax Counseling for the Elderly**

In many communities, free tax filing assistance also is available through the Tax Counseling for the Elderly (TCE) program. TCE is sponsored by the IRS, often in conjunction with the AARP Tax Aide Program. Although its main purpose is to assist seniors, TCE also can help low-income workers file tax returns. Your IRS Territory Manager can provide a list of TCE sites and can link you with the local TCE coordinator. During the filing season, you can find AARP’s TCE sites listed by zip code at [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide).

## **What Should Workers Bring to a VITA Site?**

- A copy of 2008 tax return, if available
- Social Security numbers for the worker, spouse and any children born before 12/31/09 are needed to claim the EIC.
- W-2 forms from all jobs. If you don’t have the W-2, bring final pay stubs, if available.
- 1099 forms for any other income
- Statements received from a mortgage company during 2009
- Any IRS notices received during 2009
- Workers with Individual Taxpayer Identification Numbers (ITINs) should bring the ITIN letter sent to them by the IRS. Workers need either an ITIN or an SSN to claim the Child Tax Credit.

although retired business professionals, accountants and accounting students are well-suited to the job. Contact your IRS Territory Manager to plan how to recruit volunteers at least several weeks before tax filing begins. Volunteers also can take the self-study training on the IRS website.

**Help VITA sites obtain electronic filing systems.** Some people pay commercial tax preparers so they can have their returns filed by computer and get their refund faster. Work with your IRS Territory Manager to arrange for electronic filing at VITA sites.

**Make sure VITA sites can accommodate special needs of tax filers.** Provide interpreters for tax filers who speak languages other than English. Help make sites accessible for people with disabilities. Offer child care services on site.



# Getting in Touch With Your IRS Territory Manager

For a list of Volunteer Income Tax Assistance (VITA) sites in your area, contact your IRS Territory Manager, listed below. The Territory Managers, or their staff, can help you set up new VITA sites and train VITA volunteers. Some offices cover more than one state. The Territory Manager for your state may be headquartered elsewhere, but he or she does supervise the program in your area. The Territory Manager's office can connect you to IRS staff, EIC outreach materials, VITA trainings or VITA site supervisors in your state, and help plan future efforts. IRS is currently making changes to these offices. Please let us know if you are unable to make contact. **Note:** These numbers should not be given to individual taxpayers to call for personal tax help. These offices can't do that — they organize the VITA program. *Call 1-800-829-1040 for tax help.*

STATE	TERRITORY MANAGER	PHONE NUMBER/EMAIL
Alabama	Elaine Beck	205-912-5491/Elaine.Beck@irs.gov
Alaska	Sue Stockman	206-220-5528/Sue.M.Stockman@irs.gov
Arizona	Tracey Banks	602-207-8494/Tracey.C.Banks@irs.gov
Arkansas	Karen O'Neill	405-297-4026/Karen.L.ONeill@irs.gov
California		
Fresno	Claudia Wreyford	916-974-5589/Claudia.Wreyford@irs.gov
Los Angeles	Connie Stewart	213-999-1043/Connie.Stewart@irs.gov
Oakland	Stella Lee	408-817-6554/Stella.Lee@irs.gov
Sacramento	Claudia Wreyford	916-974-5589/Claudia.Wreyford@irs.gov
San Jose	Stella Lee	408-817-6554/Stella.Lee@irs.gov
San Marcos/Santa Ana	Barbara Kuhns	760-736-7340/Barbara.M.Kuhns @irs.gov
Santa Maria	Connie Stewart	213-999-1043/Connie.Stewart@irs.gov
Colorado	Terence Donohoue	303-606-4564/Terence.Donohoue@irs.gov
Connecticut	Jodonna Powell	860-756-4660/Jodonna.G.Powell@irs.gov
Delaware	Denise Perry	973-645-4584/Denise.Perry@irs.gov
District of Columbia	Michele Page	202-927-9298/Michele.L.Page@irs.gov
Florida		
Jacksonville/Tampa	Barbara Travis	813-315-2395/Barbara.Travis@irs.gov
Miami/Maitland	Ron Albert	954-423-7770/Ronald.W.Albert@irs.gov
Panama City	Elaine Beck	205-912-5491/Elaine.Beck@irs.gov
Plantation/West Palm Beach	Ron Albert	954-423-7770/Ronald.W.Albert@irs.gov
St. Petersburg/Tallahassee	Barbara Travis	813-315-2395/Barbara.Travis@irs.gov
Georgia	Mikki Betker	404-338-8893/Mikki.M.Betker@irs.gov
Hawaii	Becky Facer	503-326-6010/Rebecca.A.Facer@irs.gov
Idaho	Becky Facer	503-326-6010/Rebecca.A.Facer@irs.gov
Illinois	Cheryl Nagana	312-566-2201/Cheryl.M.Nagana@irs.gov
Indiana	Ken Williams	317-685-7782/Kenneth.L.Williams@irs.gov
Iowa	Douglas Bauman	402-221-3619/Douglas.A.Bauman@irs.gov
Kansas	Kathryn Lett-Deathe	816-966-2303/Kathryn.Lett-Deathe@irs.gov

**STATE****TERRITORY MANAGER****PHONE NUMBER/EMAIL**

Kentucky	Michelle Bell	513-263-4271/Michelle.Bell@irs.gov
Louisiana	Jan Pretus	205-912-5491/Jan.Pretus@irs.gov
Maine	Bill Smits	617-316-2145/William.C.Smits@irs.gov
Maryland	Michele Page	202-927-9298/Michele.L.Page@irs.gov
Massachusetts	Bill Smits	617-316-2145/William.C.Smits@irs.gov
Michigan	Ramondo Gee	313-628-3700/Ramondo.Gee@irs.gov
Minnesota	Gary Stadskev	651-726-1580/Gary.A.Stadskev@irs.gov
Mississippi	Jan Pretus	205-912-5491/Jan.Pretus@irs.gov
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## Find It On the Web

Much more about the tax credits and implementing an effective Tax Credit Outreach Campaign can be found on our website at [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010). If you do not have access to the Internet, do not hesitate to call us at (202) 408-1080 and we will send you what you need. Here is a list of just some of the material available on the website:

### Outreach Tools

- Posters, flyers, envelope stuffers in English and Spanish
- Flyers in 19 languages, including: Arabic, Amharic, Bosnian, Cambodian, Chinese, Farsi, French, Haitian-Creole, Hmong, Italian, Korean, Lao, Polish, Portuguese, Russian, Somali, Tagalog, Ukrainian, and Vietnamese
- “10 Ways Flyers”: Ideas for how Businesses; Early Childhood Programs, Colleges and Universities, Job Training programs, and Housing Groups can promote the tax credits
- More on Getting Media Coverage for Your Campaign

### Questions and Answers About the EIC and the CTC

- Tax Credits and Public Benefits
- How to Claim Credits for Back Years
- Social Security Number Requirements
- EIC and CTC: Eligibility Rules for Immigrant Workers
- Non-Traditional Families

### The EIC Estimator

Knowing how much you can expect from the EIC can be a great motivator. Imagine learning that you are eligible to get a refund of several thousand dollars! That’s enough to convince anyone of the value of filing a tax return to claim the EIC. The 2009 Earned Income Tax Credit Estimator gives you a quick way to figure how much the EIC might be worth to an eligible family. Just type in annual earnings and the number of children the worker is raising. The calculator quickly shows the EIC amount. The EIC Estimator can be found on the Tax Credit Outreach Campaign Website at [www.cbpp.org/eic2009/calculator](http://www.cbpp.org/eic2009/calculator)

- College Financial Aid
- Military Personnel

### Links to IRS Tax Forms and Related Information

- Guide to Key IRS Forms and Instructions on the EIC and CTC
- How to Help a Worker Who Filed a Tax Return But Didn’t Claim the EIC or CTC
- Individual Taxpayer Identification Numbers

### Facts About Additional Tax Credits and Related Information

- Child and Dependent Care Credit
- Saver’s Credit
- EIC Advance Payment Option
- EIC and Workers Not Raising Children

- Workers Raising Children with Disabilities
- Qualifying Child Rule Changes May Affect Some Lower-Income Taxpayers in 2009
- State Earned Income Credits: DC, DE, IA, IL, IN, KS, LA, MA, MD, ME, MI, MN, NC, NE, NJ, NM, NY, OK, OR, RI, VA, VT, WI
- Promoting Tax Credits with Asset Development Opportunities: IDAs, Financial Education Classes, Credit Repair and Homeownership and Car Ownership Programs
- Roth IRAs
- Individual Taxpayer Identification Numbers
- Low-Income Taxpayer Clinics
- Precautions Consumers Can Take If They seek Help From a Commercial Tax Preparer
- Stored Value Cards
- Free File Alliance and I-CAN! E-File

### **Additional Resources for Promoting the Tax Credits**

- Reports and Resources
- National Coalitions
- Additional Tool Kits and Materials

### **Additional Outreach Strategies and Examples**

### **Information for Individual Taxpayers Looking for Help**

### **More Information About Free Tax Filing Assistance**

- Efforts to Regulate Refund Anticipation Loans (RALs)

## **Let Us Hear From You!**

### ***You'll Receive the 2011 Tax Credit Outreach Kit Automatically!***

To keep up-to-date on facts about the tax credits and free tax filing assistance, outreach ideas and answers to key questions, please be sure that you are on our mailing list.

Visit [www.cbpp.org/eic2010](http://www.cbpp.org/eic2010) to be added to the Center on Budget and Policy Priorities' Tax Credit Outreach Campaign Kit mailing list or to update the contact information we already have for you.