



Policy Memorandum

TO: System Contractors

FROM: Rodney Bradshaw
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DATE: February 7, 2008

SUBJ: Promoting Federal Income Tax Credits

Purpose

Provide career offices information on the 2008 Earned Income Tax Credit (EITC), the Child Tax Credit, and free tax help through Volunteer Income Tax Assistance (VITA) sites.

Background

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. The EITC often results in a tax refund for low-income households that file their taxes and qualify for the credit.

To qualify, taxpayers must meet certain requirements and file a tax return, even if they did not earn enough money to be obligated to file a tax return. A qualifying taxpayer must file a return and claim the credit to receive it.

The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments.

How We Promote Tax Credits

We will promote the Earned Income Tax Credit and the Child Tax Credit by:

- Displaying the EITC poster in resource rooms
- Keeping EITC fact sheets on hand for interested customers and staff

- Keeping VITA fact sheets on hand and directing customers to the nearest VITA site for free tax help.

Informational Posters and Flyers

The Center on Budget and Policy Priorities has created an outreach campaign kit entitled *Money Talks! Have You Heard?!* The kit includes posters, flyers and an information book. You may purchase hard copies of the kits, or download copies of the posters and flyers from the center's website, or print and display/distribute copies of the posters, flyers and forms attached to this memo.

- To order the kits contact John Wanacheck by e-mail at eickit@cbpp.org, by fax at (202) 408-1056, or by telephone at (202) 408-1080. The kits cost \$3.00 each.
- You may download the posters and flyers at no cost from the center's website at <http://www.cbpp.org/eic2008>.
- Attached to this memo are posters in English and Spanish languages, informational flyers in English, Spanish and Vietnamese.

Free Tax Help for Customers

The Volunteer Income Tax Assistance program offers free tax help to low- to moderate-income (generally, \$40,000 and below) people who cannot prepare their own tax returns. Certified volunteers sponsored by various organizations help prepare basic tax returns in communities across the region. VITA sites are generally located at community and neighborhood centers, libraries, schools and shopping malls. Most locations also offer free electronic filing. To locate the nearest VITA site, call 2-1-1 or 713-957-4357 or call the IRS helpline at 1-800-829-1040.

- Make copies of the 2008 VITA Checklist and EIC/CTC Benefits Chart and place these in resource rooms for customers. Copies of these flyers are attached to this memo.

Offices interested in providing space for VITA may contact the IRS regional office in Houston by calling (281) 721-7008.

Action Required

1. Make sure all offices display the EITC posters in resource rooms.
2. Make sure all offices have copies of the informational flyers and forms available in resource rooms for interested customers to pick up.

3. Make sure all office managers, supervisors, personal service representatives, employment counselors and other appropriate staff are aware of the EITC and where customers can go for free tax help.

Questions

Direct inquiries to the web Q&A or to Ginger Rogers at grogers@theworksource.org
713.993.2409

Attachments

- Earned Income Tax Credit poster - English language
- Earned Income Tax Credit poster – Spanish language
- EITC Flyer – English language
- EITC Flyer – Spanish language
- EITC Flyer – Vietnamese language
- VITA Checklist
- EIC and CTC Benefits Chart