

# TAX CREDITS OUTREACH: TIPS AND TOOLS FOR ADVOCATES

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# POLLING QUESTION

# ECONOMIC CHALLENGES FACING YOUNG FAMILIES

- **20.5 million, or 30%, of Millennials are parents**
  - 83% of new moms are Millennials
- **1 in 5 Millennial parents live below the poverty line, partially as a result of:**
  - The Great Recession
  - Wage stagnation and wage decline
  - Rising college costs and student debt
  - High unemployment and underemployment
  - Growing cost of child care

# TAX CREDITS OUTREACH:

- **Get the facts about tax credits.**
- **Get the facts about free tax preparation services.**
- **Spread the word to families with children.**
- **Gather success stories.**
- **Partner up to expand your reach.**

**FEDERAL AND STATE  
TAX CREDITS CAN HELP  
FAMILIES MAKE ENDS  
MEET**

Earned Income  
Tax Credit

Child Tax Credit

Child Care Tax  
Credit

Premium Tax  
Credit

# IF ELIGIBLE FAMILIES CLAIM TAX CREDITS, THEY COULD RECEIVE:

- Up to \$6,269 from the federal **Earned Income Tax Credit (EITC)**.
- Up to \$1,000 per child from the federal **Child Tax Credit**.
- Up to \$2,100 from the federal **Child and Dependent Care Tax Credit**.
- A **Premium Tax Credit** to help purchase health insurance through the Health Insurance Marketplace.

# AND MANY STATES OFFER SIMILAR TAX BENEFITS TO FAMILIES

- **In 2016:**

- **25 states and the District of Columbia offer EITCs;**
- **21 states and the District of Columbia offer child care credits; and**
- **5 states offer child tax credits.**

# HOW MUCH CAN TAX CREDITS BE WORTH? A LOT!

- For tax year 2016, eligible families with three children in paid child care in New York state could receive:
  - Up to \$6,269 in federal EITC benefits and up to \$1,881 in state EITC benefits.
  - Up to \$1,000 per child in federal Child Tax Credit benefits and up to \$330 per child in state child tax credit benefits.
  - Up to \$2,100 in federal Child and Dependent Care Tax credit benefits and up to \$2,310 in state CADC benefits.



# HOW TAX CREDITS WORK

**Tax credits can lower a family's tax bill—and possibly provide a cash refund.**

- **If the tax credit is nonrefundable, it will lower a family's tax bill—at most, down to zero.**
- **If the tax credit is refundable, it can erase a family's tax bill—and possibly provide them with a refund.**

# TAX REFUNDS CAN HELP FAMILIES SAVE FOR A RAINY DAY.

- Families can use their refunds to create an emergency fund or build up savings.
- If families use direct deposit, they can split their refunds—for example, put a little money into a savings account and the rest into a checking account.
- Many EITC Coalitions can help families save and build assets.

# SO, WHICH ARE THE REFUNDABLE CREDITS?

- The federal Earned Income Tax Credit;
- The federal Child Tax Credit;
- 11 state child care credits, 2 state child credits, and 22 state EITCs.
- Sadly, the federal Child and Dependent Care Tax Credit is *NOT* refundable.

# EARNED INCOME TAX CREDIT

- **The federal Earned Income Tax Credit is a wage supplement for low- and moderate-income families.**
- **In general, the value of the credit is based upon a family's income and number of children. But there is also a smaller credit available to individuals and couples without children.**

# HOW MUCH IS THE EITC WORTH?

<b>A family with three or more children. . .</b>	<b>who earned less than \$47,955</b>	<b>(or \$53,505 if married filing jointly)</b>	<b>. . .receives up to \$6,269.</b>
<b>A family with two children. . .</b>	<b>who earned less than \$44,648</b>	<b>(or \$50,198 if married filing jointly)</b>	<b>. . .receives up to \$5,572.</b>
<b>A family with one child. . .</b>	<b>who earned less than \$39,296</b>	<b>(or \$44,846 if married filing jointly)</b>	<b>. . .receives up to \$3,373.</b>
<b>An individual without qualifying children. . .</b>	<b>who earned less than \$14,880</b>	<b>(or \$20,430 if married filing jointly)</b>	<b>. . .receives up to \$506.</b>

# THE CHILD TAX CREDIT

- A family can claim **\$1,000** per child, no matter how many children they have.
- Example: Mike and Carol Brady have 6 children. They can claim a **\$6,000 Child Tax Credit**.

# THE CHILD TAX CREDIT—REFUND

- If a family does not owe enough taxes to use all of its **Child Tax Credit**, it may be eligible for a refund.
- The family will receive either
  - 15% of their income above **\$3,000** or
  - the amount of the **Child Tax Credit** that exceeds their tax liability, whichever is less.
- Example: A parent earning **\$8,500** with no income tax liability will receive a refund of **\$825** from the **Child Tax Credit**.

# THE CHILD AND DEPENDENT CARE TAX CREDIT

- **The Child and Dependent Care Tax Credit can help families meet the child and dependent care expenses they pay to go to work.**
- **Any kind of paid child care – a center, a family day care home, a church, or a neighbor’s or relative’s house – qualifies.**



# HOW MUCH IS THE CHILD AND DEPENDENT CARE TAX CREDIT WORTH?

- Families can claim up to **\$6,000** in child care expenses for two or more children or dependents, or **\$3,000** for one child or dependent.
- Depending on their income, a family receives between **20 and 35%** of qualifying child and dependent care expenses.
- So the credit is worth a maximum of **\$2,100** for two children or dependents and **\$1,050** for one child or dependent.
- *Because this credit is nonrefundable, families can only use it to reduce their tax liability – but this can increase their other refunds.*

# THE CHEAT SHEET

The credit	To be eligible, a family needs	Age of qualifying children	Maximum credit value	Refundable?
EITC	Earned income not more than \$53,505 for a married couple with 3 kids	Under 19, or under 24 if a full-time student	\$6,269	Yes
CTC	\$3,000 in earned income for refund	Under 17	\$1,000 per child	Yes
CDCTC	Work-related child care expenses	Under 13	\$2,100	No

# WILL REFUNDS FROM THESE CREDITS AFFECT A FAMILY'S ELIGIBILITY FOR OTHER BENEFITS?

- Normally, no!
- The amount of a refund from the **Child Tax Credit** or the **Earned Income Tax Credit** cannot be used to determine eligibility for, or amount of, Medicaid, Supplemental Security Income, SNAP (food stamps), or low-income housing.
- A **Child Tax Credit** refund cannot be used to determine eligibility for, or amount of, TANF benefits.

# BUT...

- States can develop their own rules on whether an Earned Income Tax Credit refund can be used to determine eligibility for and amount of TANF benefits.

# THESE CREDITS ARE GREAT! HOW DO FAMILIES GET THEM?

- To claim these credits, a family with children must file the IRS form 1040 or 1040A, but **not** the 1040 EZ.
- Families must also file a separate form for each federal tax credit.
- Families can also amend tax returns from previous years.
- States have different forms and procedures for claiming state tax credits.

# WHAT ELSE DO FAMILIES NEED TO KNOW ABOUT FILING TAX RETURNS IN 2017?

- The Protecting Americans from Tax Hikes (PATH) Act of 2015 made over 20 tax provisions permanent.
- It also includes two changes that will impact some workers at tax time.

# REFUND DELAYS

- Starting in 2017, no refund will be made to a taxpayer before Feb. 15 if the taxpayer claimed the EITC or Additional CTC on the return.
- This will allow the IRS to verify income reported on those returns since employers are now required to file W-2 forms and 1099s by January 31 (previously they had until March).
- The delay applies to all methods of tax filing and taxpayers are encouraged to file as they normally do.
- Filers can use the IRS *Where's My Refund?* tool ([www.irs.gov/refunds](http://www.irs.gov/refunds)) to check on the status of a tax refund.
- For more information visit [www.eitcoutreach.org/learn/tax-filing/refund-delays](http://www.eitcoutreach.org/learn/tax-filing/refund-delays).

# INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER (ITIN) RENEWALS

- To verify all ITINs under the same procedures, ITINs issued before January 1, 2013 will be deactivated over several years and will require renewal to be used on a tax return.
- Two categories of ITINs will expire on January 1, 2017:
  - ITINs that have not been used on a federal income tax return at least once during tax years 2013, 2014, or 2015
  - ITINs with 78 or 79 as the middle digits (i.e. 9NN-78-NNNN) that have been used on tax returns in the past three years.
- To renew an ITIN, one must complete and submit Form W-7, “Application for IRS Individual Taxpayer Identification Number.”
- For more information including links to outreach materials, visit [www.eitcoutreach.org/learn/tax-filing/itin/itin-renewals](http://www.eitcoutreach.org/learn/tax-filing/itin/itin-renewals).



# POLLING QUESTION

# PREMIUM TAX CREDIT HELPS FAMILIES PAY FOR HEALTH INSURANCE

- The Affordable Care Act—the health care law sometimes called Obamacare—is making health coverage more affordable and easier to obtain for millions of American women and their families.
- 87% of the 12 million people who signed up for a health plan through the Marketplaces in 2015 qualified for financial assistance to help cover the monthly cost.
- **The Premium Tax Credit is:**
  - Available as soon as individuals and families sign up for health insurance.
  - Paid directly to health insurance company each month.

# PREMIUM TAX CREDIT: TAX YEAR 2016

- If you received a **Premium Tax Credit** in 2016, you will report that on the tax return that you file in 2017.
- The Health Insurance Marketplace will give information regarding your **Premium Tax Credit** to the IRS.
- Then you will reconcile your projected 2016 income (what you thought you would make) and household size that you provided when you signed up for health insurance with your actual 2016 income (what you actually made) and household size.
- Remember to update the Marketplace with any changes in income or household size that occur throughout the year—don't wait until tax time!

# 2016 ENROLLMENT

- The 2016 “open enrollment period”—when you can sign up for health insurance or change your plan—runs from November 1, 2016-January 31, 2017.
- Outside of open enrollment, people may qualify for special enrollment periods if they experience certain life events such as marriage, the birth or adoption of a child, or a job change.
- Questions about enrollment? Go to [healthcare.gov](http://healthcare.gov) or call (800) 318-2596.

# TAX CREDITS OUTREACH

Help  
families  
learn about  
valuable  
federal and  
state tax  
credits

# POLLING QUESTION

# GET THE FACTS – ABOUT TAX CREDITS.

- Free materials on tax credits are available.
  - Visit [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes) to download free state-specific fliers and other materials.
  - Visit [www.eitcoutreach.org](http://www.eitcoutreach.org) for information and materials on the federal **EITC**, the **Child Tax Credit**, and the **Premium Tax Credit**.
  - The IRS has a special webpage focusing on the **EITC**. Visit [www.eitc.irs.gov](http://www.eitc.irs.gov).

# GET THE FACTS – ABOUT FREE TAX PREPARATION ASSISTANCE.

- The IRS-sponsored VITA Program offers free tax help to low- to moderate-income (generally, \$54,000 and below) people.
- The IRS also coordinates with AARP to offer tax help to people of low-to-middle income, with special attention to those age 60 and older, through the Tax-Aide program.
- Low- and moderate-income families may be eligible for free online tax preparation services through the Free File Alliance or [MyFreeTaxes.com](https://www.myfreetaxes.com).



# VOLUNTEER VS. PAID TAX PREP

- Volunteer tax preparers are trained and certified annually by the IRS and have IRS support.
- If you have questions or follow-up, organizations that do free tax prep don't pack up after April.
- Volunteer tax preparers can help prepare or amend tax returns from prior years.
- Free tax preparers don't charge exorbitant and unnecessary fees through Refund Anticipation Loans (RALs) and Refund Anticipation Checks (RACs).
- Sometimes free tax preparers can connect families with other services or resources.

# SPREAD THE WORD TO FAMILIES.

- You can download free fliers at [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes) or [www.eitcoutreach.org/outreach-strategies/materials](http://www.eitcoutreach.org/outreach-strategies/materials).
- Share widely!
- Let us know if you want to co-brand these and other materials for your networks.

**FAMILY TAX CREDITS**  
TAX YEAR 2015

**FAMILIES**  
GET THE TAX CREDITS  
YOU DESERVE!

You work hard to support your family. Whether or not you owe any income tax, you could get thousands of dollars back in tax credits.

**You could qualify for:**

- Up to **\$2,100** from the federal Child and Dependent Care Tax Credit.
- Up to **\$6,242** from the federal Earned Income Tax Credit.
- Up to **\$1,000** per child from the federal Child Tax Credit.
- A **Premium Tax Credit** to help you purchase health insurance through the Health Insurance Marketplace.
- If you need help paying for health insurance in 2016, you can get the **Premium Tax Credit** as soon as you sign up through the Marketplace. Most people need to sign up by February 2016—so go to [healthcare.gov](http://healthcare.gov) or call (800) 318-2596 today for more information.
- If you purchased insurance through the Marketplace in 2015 and received an advance payment of the **Premium Tax Credit**, you must file a tax return for 2015.

**TO GET THESE CREDITS, YOU MUST FILE A TAX RETURN.**  
Find out where you can get **FREE** help with your taxes by calling the IRS toll-free at (800) 906-9887. Or go to <http://irs.treasury.gov/freetaxprep/>.

**NATIONAL WOMEN'S LAW CENTER**  
EXPANDING THE OPPORTUNITIES

NATIONAL WOMEN'S LAW CENTER TAX CREDITS OUTREACH CAMPAIGN 2016 TAX FILING SEASON

# USE YOUR WEBSITE AND SOCIAL MEDIA!

- Put tax credit information on your website.
  - Link to [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes).
  - Link to the IRS' VITA site locator at <http://irs.treasury.gov/freetaxprep/> or a local VITA site.
- Use Social Media.
  - Use Facebook or Twitter to share content and resources. Download images to share: [www.eitcoutreach.org/outreach-strategies/outreach-graphics](http://www.eitcoutreach.org/outreach-strategies/outreach-graphics)
  - Create a graphic. Learn how to use Canva to create social media graphics: [www.eitcoutreach.org/outreach-strategies/using-social-media/#training](http://www.eitcoutreach.org/outreach-strategies/using-social-media/#training)



Whether or not you owe any income tax, you could get thousands of dollars back in tax credits.

To get these credits, you **must** file a tax return. Find out where you can get **free** help with your taxes by calling the IRS toll-free at **(800) 906-9887**. Or go to [irs.treasury.gov/freetaxprep](http://irs.treasury.gov/freetaxprep).

[www.nwlc.org](http://www.nwlc.org)

 NATIONAL WOMEN'S LAW CENTER

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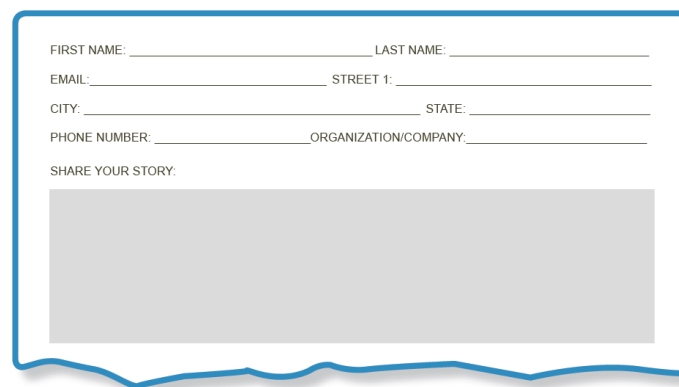


# COLLECT SUCCESS STORIES!

- Keep track of clients or constituents who tell you that they claimed and benefited from tax credits. Their stories can show people and policymakers the difference tax credits can make in people's lives!

*Getting free tax preparation at a United Way VITA site made a big difference for one family in Dallas, TX. The family received a refund of several thousand dollars, which was direct-deposited in their bank account and helped pay for children's clothes, a crib, and a car.*

You can share your stories at  
[www.nwlc.org/action/share-your-story-tax-credits-outreach](http://www.nwlc.org/action/share-your-story-tax-credits-outreach).



FIRST NAME: \_\_\_\_\_ LAST NAME: \_\_\_\_\_  
EMAIL: \_\_\_\_\_ STREET 1: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_  
PHONE NUMBER: \_\_\_\_\_ ORGANIZATION/COMPANY: \_\_\_\_\_  
SHARE YOUR STORY:  
\_\_\_\_\_

# **PARTNER UP TO EXPAND YOUR REACH**

**Working  
with EITC  
Coalitions**

# PARTNER UP TO EXPAND YOUR REACH.

- **Work with:**
  - **Other advocacy or service organizations in your community, including local healthcare navigators and organizations involved in healthcare outreach**
  - **Local businesses**
  - **State and local government agencies and officials**
  - **EITC coalitions**
- **Outreach coalitions divide campaign tasks, take advantage of partners' special capabilities or ability to reach certain parts of the community and avoids duplication**

# TAX CREDIT COALITIONS

- **Conduct tax credit outreach campaigns**
- **Organize free tax assistance services**
- **Link to financial services and asset-building programs**
- **Help assess eligibility for other public benefits**

# WHAT COALITIONS DO

- **Develop strategy, themes, and materials for tax season outreach campaigns**
- **Find partners to host Volunteer Income Tax Assistance (VITA) sites**
- **Recruit VITA volunteers**
- **Organize training for volunteers**
- **Get campaign information out to workers!**



# COALITIONS PARTNER WITH THE IRS

- **IRS staff:**
  - **Doesn't run VITA sites**
  - **Helps sites get started, ensure quality of preparation**
  - **Connects VITA sites to IRS training materials and free tax software**
  - **Provides trouble-shooting help during the filing season**

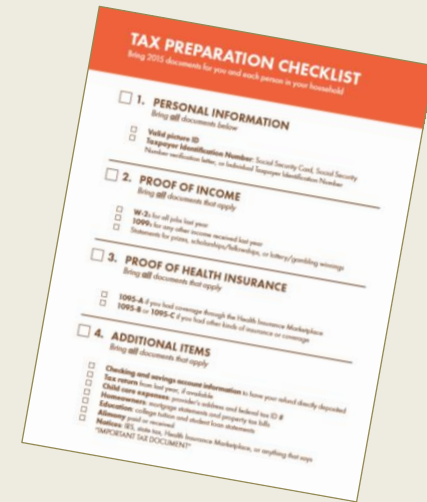
# CONNECT WITH A COALITION

Don't know if there is a coalition in your community?

1. Contact the Center's *Get It Back Campaign* to find out: [eitcoutreach@cbpp.org](mailto:eitcoutreach@cbpp.org).
2. Reach out to your IRS Territory Manager: [www.eitcoutreach.org/learn/tax-filing/irs-territory-managers](http://www.eitcoutreach.org/learn/tax-filing/irs-territory-managers)

# CULTIVATE STRONG PARTNERSHIPS

- The *Get It Back Campaign* provides many resources to support tax credits outreach partnerships



Downloadable outreach materials, virtual trainings, sample social media posts, and partner engagement tips and strategies

[www.eitcoutreach.org](http://www.eitcoutreach.org)

202-408-1080, [eitcoutreach@cbpp.org](mailto:eitcoutreach@cbpp.org)

**MORE RESOURCES FOR  
YOU**

# CAMPAIGN RESOURCES


## ■ Visit

[www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes)

for a campaign checklist and outreach resources:

- Fliers
- Information about free tax prep
- And more!

## FAMILY TAX CREDITS TAX YEAR 2015



### CAMPAIGN CHECKLIST

- October/November 2015**
  - Sign up to be an NWLC community partner to receive monthly information about tax credits outreach, technical assistance and tailored materials for your organization. To sign up, go here: [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes).
  - Participate in NWLC's webinars to learn more about tax credits outreach.
  - Download free NWLC materials (including state fliers) at [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes).
  - Remind families to make sure that the Health Insurance Marketplace has current information about their income and household size, and about upcoming Open Enrollment through the Health Insurance Marketplace.
- December 2015**
  - Check NWLC's website for additional outreach materials at [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes).
  - Identify possible outreach partners, including state and local coalitions, community organizations, businesses, the IRS, and state, local, and county government offices.
  - Get on the agenda for coalition or community meetings to talk about tax credits.
  - Provide families with information about how to enroll in the Health Insurance Marketplace and get help paying for health care during Open Enrollment. See [www.nwlc.org/wp-content/uploads/2014/11/final\\_nwlc\\_acatoolkit2015.pdf](http://www.nwlc.org/wp-content/uploads/2014/11/final_nwlc_acatoolkit2015.pdf).
- January 2016**
  - Post tax credits outreach materials on your website and encourage partners to do the same.
  - Post tax credit reminders on Facebook and Twitter.
  - Start distributing fliers to families.
  - Contact the IRS and AARP to find out where free income tax preparation services will be available in your area and to get additional materials.
  - Connect with local coalitions and the IRS around any IRS-sponsored outreach activities around EITC Awareness Day.
  - Begin airing public service announcements or submitting letters to the editor to local newspapers.
  - Make sure families know that the deadline to sign up for health insurance through the Health Insurance Marketplace is January 31, 2016.
- February/March 2016**
  - Continue distributing fliers to the families in your state, and providing information, including about free tax preparation assistance, through social media.
  - Work on outreach activities with coalition partners.
  - Collect stories about parents in your community that have benefited from tax credits.
- April 2016**
  - Provide last-minute reminders about tax credits on social media before April 15.
  - Collect success stories.
  - Celebrate a job well done!**

NATIONAL WOMEN'S LAW CENTER TAX CREDITS OUTREACH CAMPAIGN 2016 TAX FILING SEASON

# FOR MORE TIPS AND TOOLS ABOUT TAX CREDITS OUTREACH TECHNIQUES:

- Download NWLC's campaign checklist, state fliers and other materials at [www.nwlc.org/loweryourtaxes](http://www.nwlc.org/loweryourtaxes).
- Download CBPP's Earned Income Tax Credit outreach kit at [www.eitcoutreach.org/outreach-strategies/materials/tax-credit-outreach-kit](http://www.eitcoutreach.org/outreach-strategies/materials/tax-credit-outreach-kit).
- Visit the IRS' EITC Central for more materials and resources – including YouTube videos!  
[www.eitc.irs.gov/Partner-Toolkit/basicmaterials](http://www.eitc.irs.gov/Partner-Toolkit/basicmaterials).

# INFORMATION ABOUT FREE TAX PREPARATION SERVICES. . .

- Starting in January, call the IRS' free hotline at 1-800-906-9887 to locate a VITA site near you. You can also visit <http://irs.treasury.gov/freetaxprep>.
- Starting in January, call 1-888-227-7669 or visit [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide) to locate an AARP-sponsored Tax-Aide site near you.
- Information about Free File services is available at <https://www.irs.gov/uac/free-file-do-your-federal-taxes-for-free>.

# CONTACT INFORMATION

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