

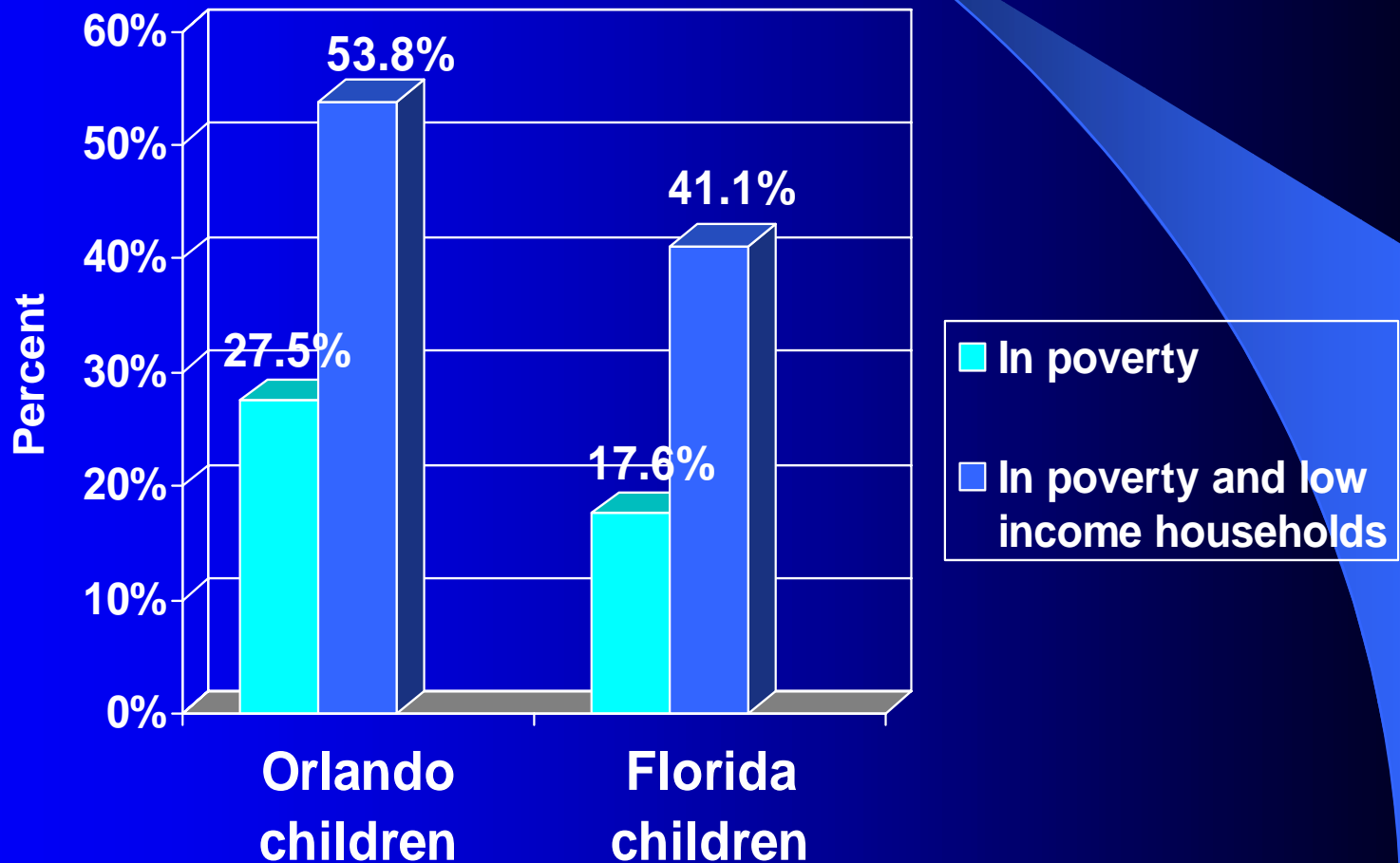
# Earned Income Tax Credit Community Campaign

Strengthening Orlando Families  
Supporting Orlando Children

# What is the EITC?

- The Earned Income Tax Credit (EITC) is a refundable Federal income tax credit designed to benefit individuals and families who earn low wages. It encourages work and reduces poverty by supplementing workers' wages.

# Percent of Orlando children living in poverty and low income households

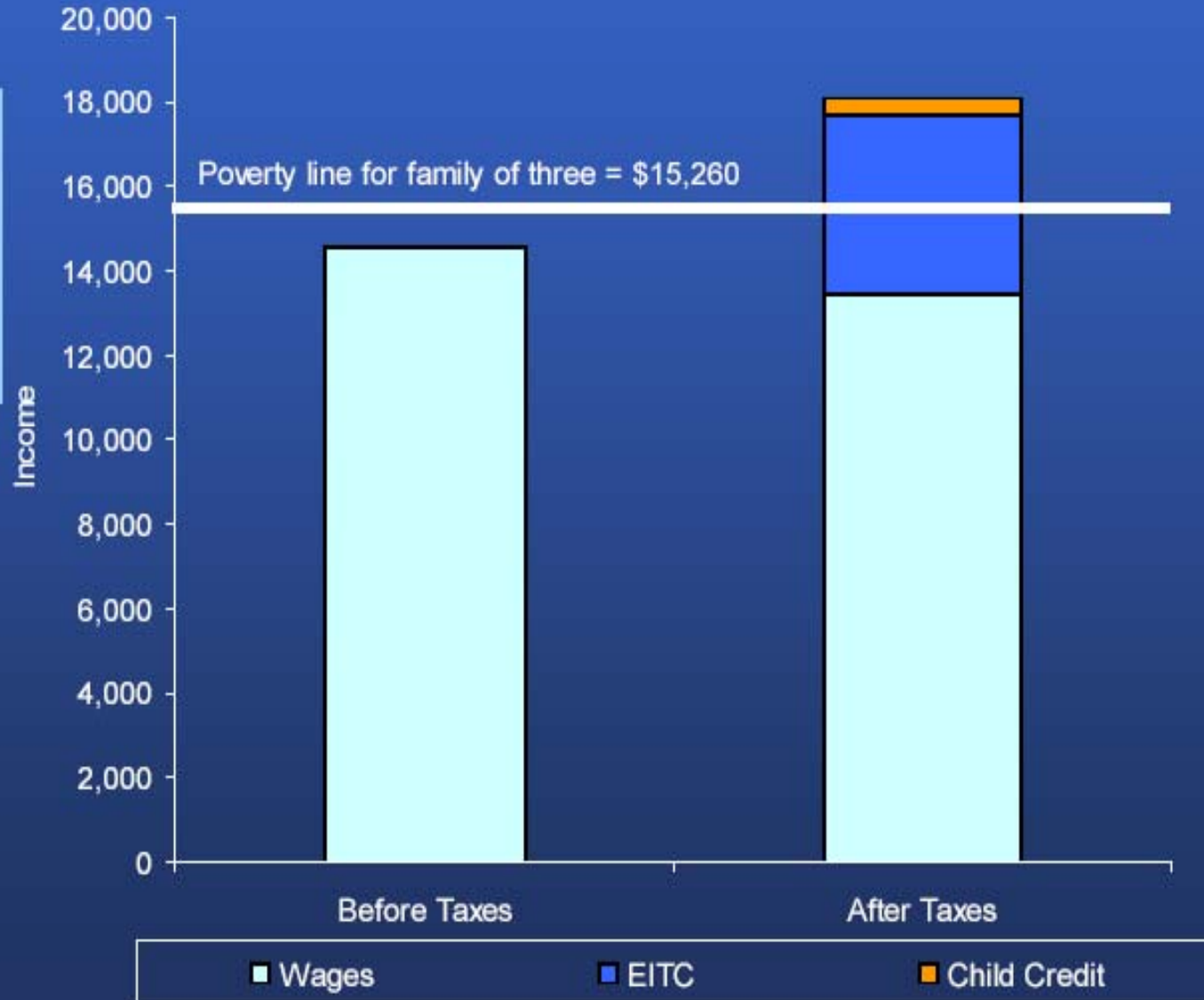


# Rationale for a community campaign

- The Earned Income Tax Credit lifts approximately 4.9 million people above the federal poverty line every year – including 2.7 million children.
- The Earned Income Tax Credit lifts more children out of poverty than any other government program.

# EITC lifts families out of poverty

Income before and after taxes, \$7/hour worker with 2 children, 2003



# The EITC increases family income

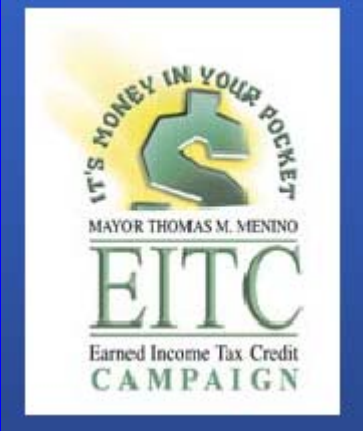
- IRS estimates 15-20% of eligible Florida families do not claim the credit.
- For those who *did* claim the credit in 2003, the average benefit was \$1,782 and went as high as \$4,300.
- Families can file for up to three years in back taxes.

# EITC campaigns across the nation

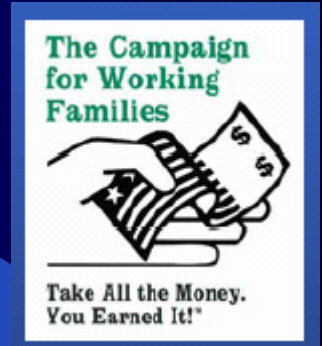
- About three-fourths of the nation's 100 largest cities have some coordinated effort around EITC outreach and free tax preparation.
- Most recent in Florida: “Greater Miami Prosperity Campaign.”
- Numerous “EITC” toolkits available: National League of Cities, Corporate Voices for Working Families, Center on Budget and Policy Priorities.



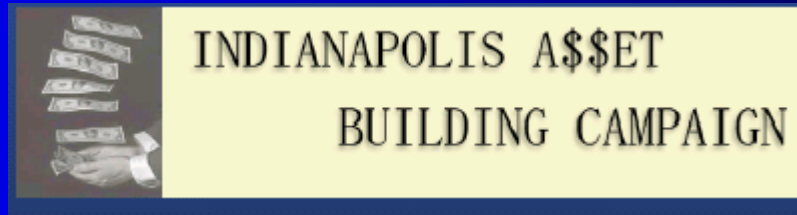
Louisville



Boston



Philadelphia



San Francisco Bay Area



Los Angeles

# What do EITC campaigns look like?

- Outreach and public awareness to increase the number of families who know about and claim the credit.
- Free tax preparation sites to increase participation and reduce fees related to commercial filing.
- Programs that help families build assets through saving and investment of tax refund.
- Multi-benefit outreach, including Child Tax Credit, food stamps, low cost health insurance, etc.

# Our Community Campaign

- Our outreach program will work with local businesses and community based organizations to identify eligible workers and inform them of the benefits of EITC.
- Program will be funded through a grant agreement between the Foundation for Building Community, Inc. and three funding agencies: City, Orange County, and Edyth Bush Charitable Foundation.

# Our Community Campaign

- The Foundation for Building Community, Inc. will administer program.
- Action Steps:
  - Establish funders steering committee
  - Create mission statement and business plan
  - Review best practices used by other communities
  - Develop performance measures
  - Implement EITC campaign during 2004 tax season
  - Report results: training; outreach efforts; tax filings
- Agreement may be extended into years 2 and 3 of the program upon mutual consent of all parties.

# Our Community Campaign

- Extended Outreach – City and County staff will work with Internal Revenue Service and Legal Aid Society to establish and promote Volunteer Income Tax Assistance (VITA) sites.
- Other Partners – Local not-for-profit organizations, businesses and others will support EITC campaign by providing locations for VITA sites and promoting the program to low income working families.

# EITC Community Campaign FY '05 Proposed Budget

- Includes personnel (project director, community outreach specialist and administrative support person); marketing and printing; community outreach meetings and expenses

- Budget funding

– City of Orlando (CDBG funds)	\$75,000
– Orange County	\$150,000
– Edyth Bush Charitable Foundation	<u>\$ 75,000</u>
– <b>Total</b>	<b>\$ 300,000</b>

# Requested City Council Action

- Approve grant agreement for Earned Income Tax Credit Program to support this important community campaign.