

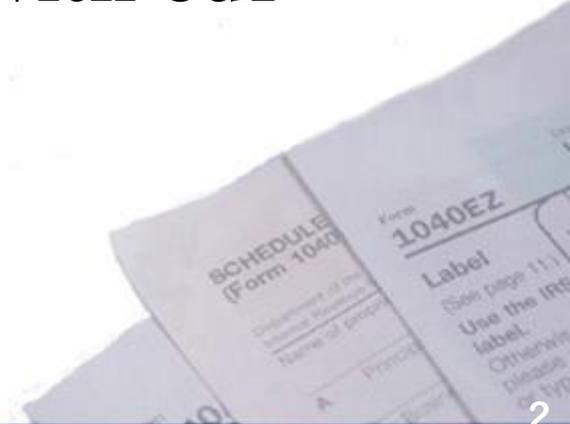
Tax Credits

Building Financial Freedom

IRS/SPEC Mission

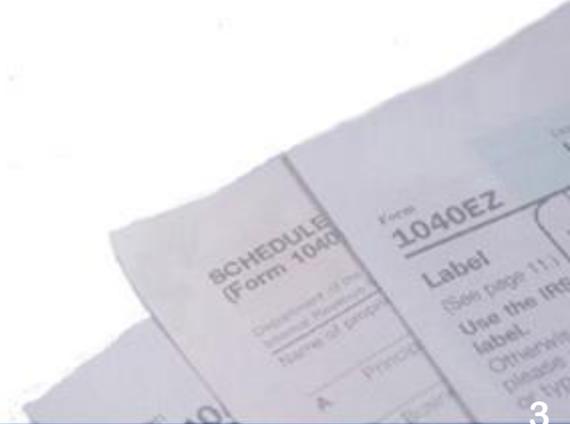
Stakeholder Partnerships, Education & Communication

To assist taxpayers in satisfying their tax responsibilities by building and maintaining partnerships with key stakeholders, seeking to create and share value by informing, educating, and communicating with our shared customers.



Objectives

-  Encourage tax compliance
-  Promote stabilizing tax credits
-  Define eligibility requirements
-  Educate on When, Where, and How to File



SPEC Audience



Low Income



Limited English



Persons with Disabilities



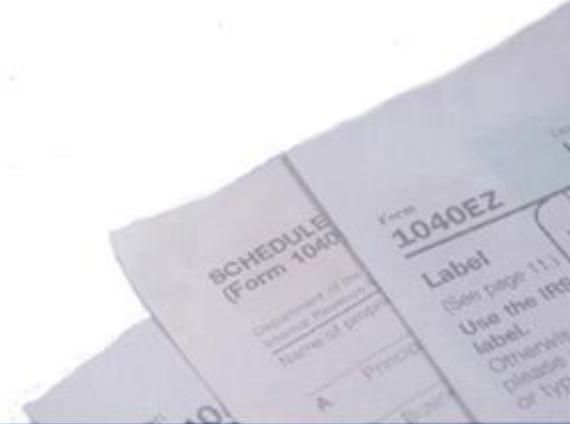
Elderly



Native American



Rural



Tax Credits & Financial Stability

A Tax Credit Can:



Reduce the tax owed



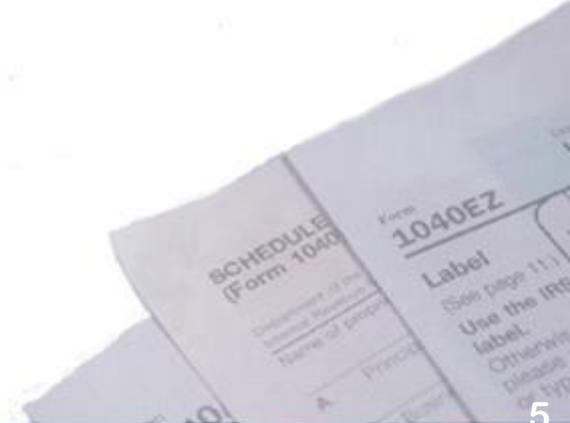
Lower tax liability to zero



Increase overall refund



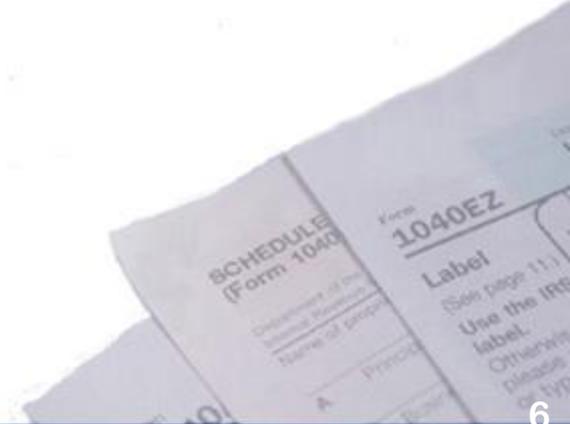
Provide funds for asset building



Refundable vs. Non-Refundable

Refundable Credits may allow families to receive some of their tax credits as a refund, even if they don't owe taxes.

Non-Refundable Credits may allow families to lower their tax liability to zero.



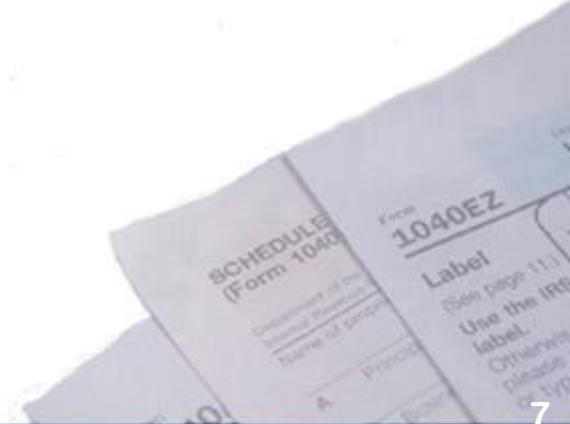
I'm Refundable!

Federal Earned Income Tax Credit

Federal *Additional* Child Tax Credit

Making Work Pay Credit

American Opportunity Credit*



Six→Five→Four→Three→Two→**ONE**

Credit	Who's Eligible	Show Me the \$\$\$
State Tax Credits	Families eligible for federal credits	%'s vary by Credit and State
American Opportunity Credit	Families paying f/post-secondary education	Up to \$2,500 per student
Make Work Pay Credit	Families who earn less than \$190,000	Up to \$800
Child & Dependent Care Tax Credit	Families paying for child/dependent care to work or look for work	Up to 35% of your out-of-pocket expenses
Child Tax Credit (CTC)	Families with children	Up to \$1,000 per child
Earned Income Tax Credit (EITC)	Families w/incomes \$48,362 or less	Up to \$5,666

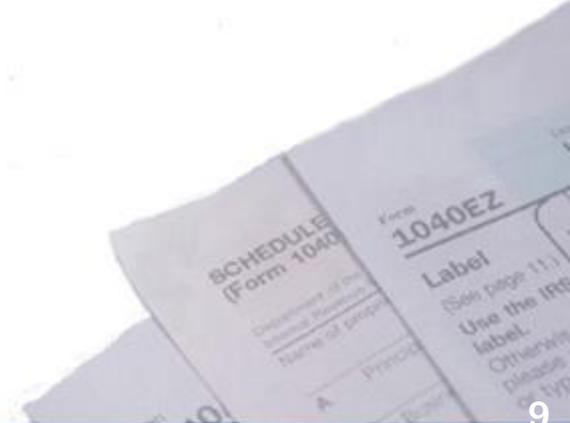
Money, Money, Money – Money!

FACT

The Earned Income Tax Credit (EITC) is the most effective anti-poverty tool for working families



\$24M eligible individuals and families received \$50B in Earned Income Tax Credit last year



Families and EITC

EITC helps families budget the following costs:



Transportation



Child Care



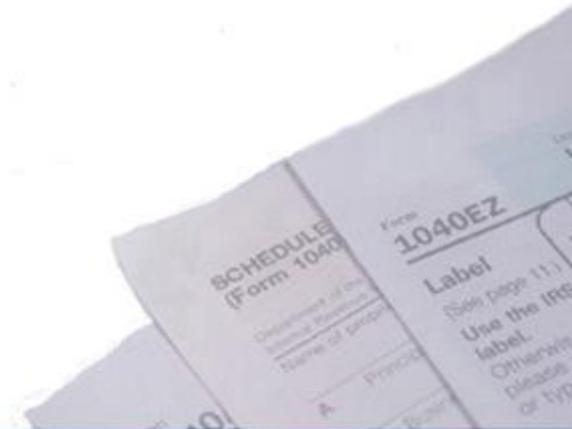
Medical expenses



Food, clothing, entertainment, etc.



Household expenses



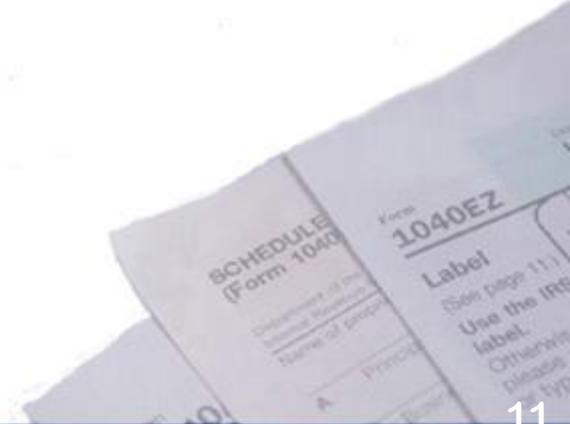
Survey Says...

How much can a couple with three children earn and still be eligible for the EITC in 2010?

 Up to \$18,470

 Up to \$40,545

 Up to \$48,362



EITC and the Community



EITC dollars are spent locally



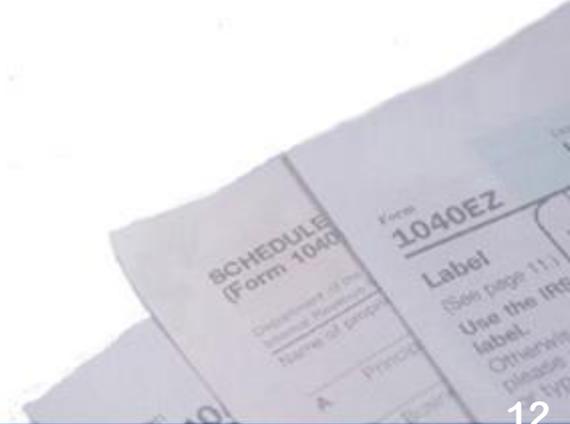
Reduces demand for public assistance



Lifts children out of poverty



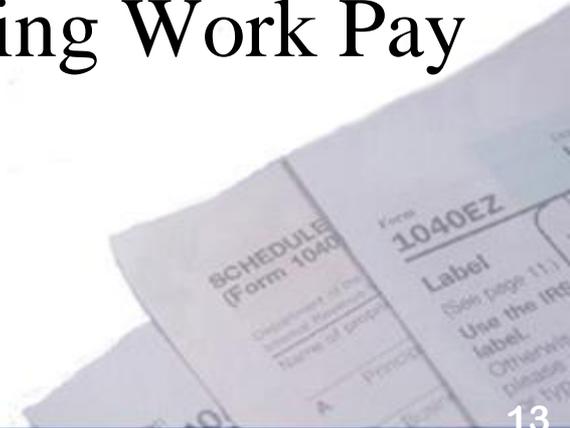
Provides source for asset building



Hand-Up NOT Hand-Out

In 2010, eligible families with three children in paid child care in NYS could receive:

-  Up to \$7,366 in federal/state EITC benefits
-  Up to \$1,330 in federal/state CTC benefits*
-  Up to \$4,410 in federal/state CADDC benefits
-  Up to \$800 from the federal Making Work Pay Credit*



\$\$\$ Now What \$\$\$

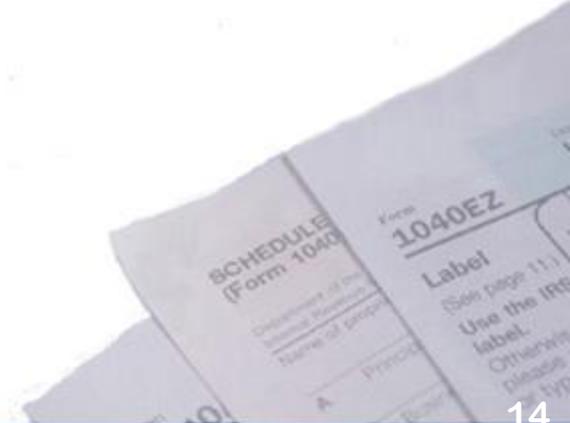
Split Refund

- Checking/Savings
- IRA
- Savings Bonds

Yea – Savings Bonds!

Savings Bonds

- Purchase for self
- Children/Grandchildren
- Asset Building



Spread the Word – Some Still MIA

Income (increases/decreases)

Age of eligible children

Limited English Proficiency

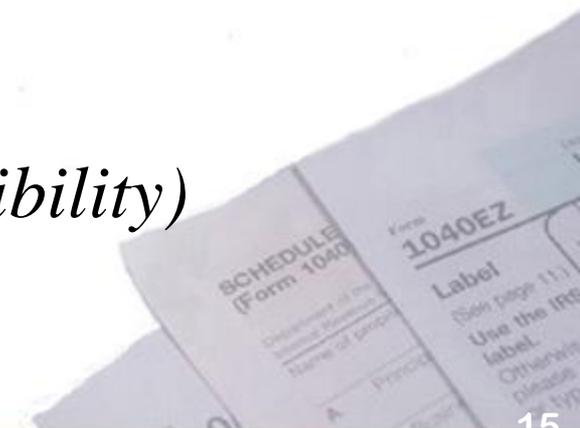
Self-Employed

Disabled

Changes to filing status (divorce, unemployment, parental status, residency)

Rural residents

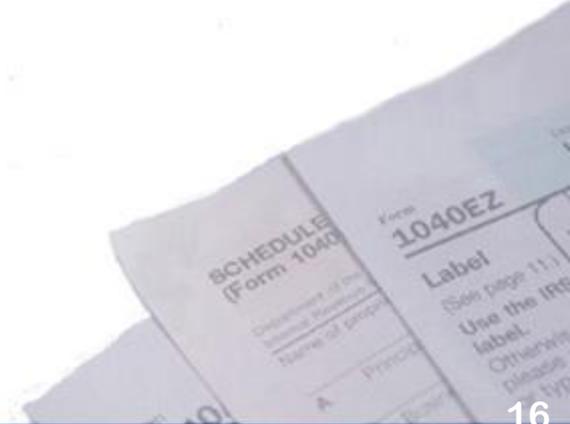
Grandparents (*must still be working f/eligibility*)



Each One – Reach One

Get Involved

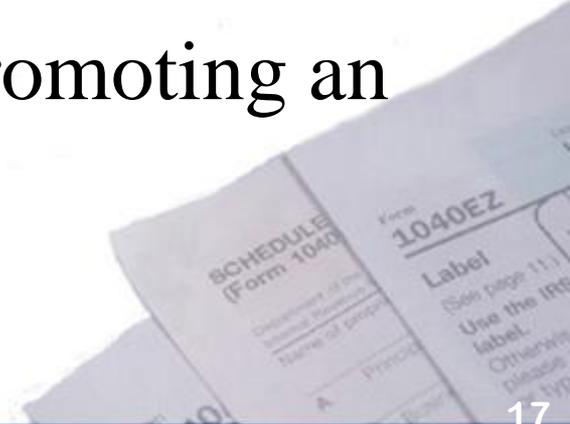
Community Based Organizations (CBO's), Non-Profit Organizations (NPO's), and other government agencies play an integral part in our efforts to ensure ALL eligible taxpayers receive the EITC and other credits



EITC Outreach Day - January 28, 2011

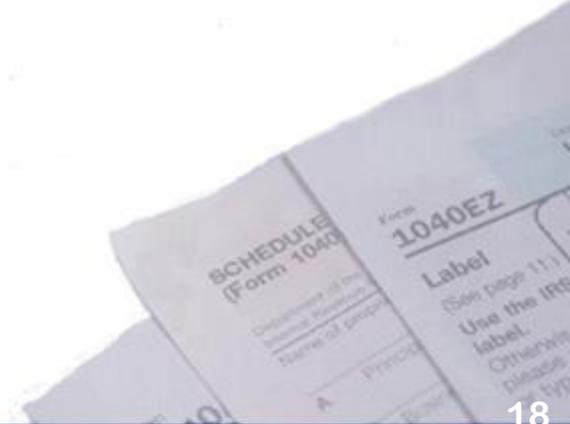
What can you do?

- Hold news conferences (*solely or in conjunction with a VITA/TCE partner*)
- Issue a press release
- Distributing EITC products
- Educating clients about direct deposits and split refunds
- Offering free tax preparation or promoting an existing site



Extra – Extra

-  NY/NJ State EITC
-  NYC EITC
-  NY State Child and Dependent Care Credit
-  NY State EITC for Non-Custodial Parent
-  New York City Child Care Tax Credit
-  \$aveNYC

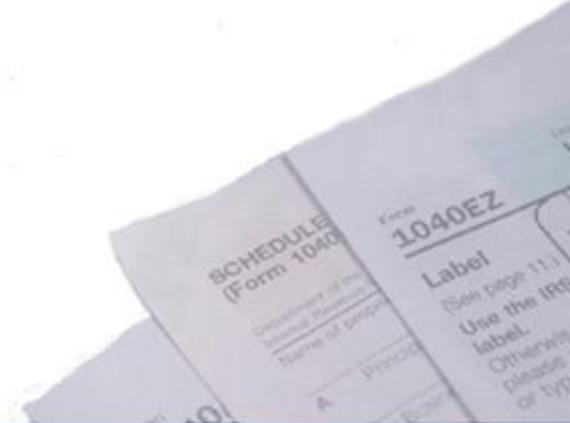


Testimonial

“When I opened the SaveNYC account, I was able to save for the first time. ...

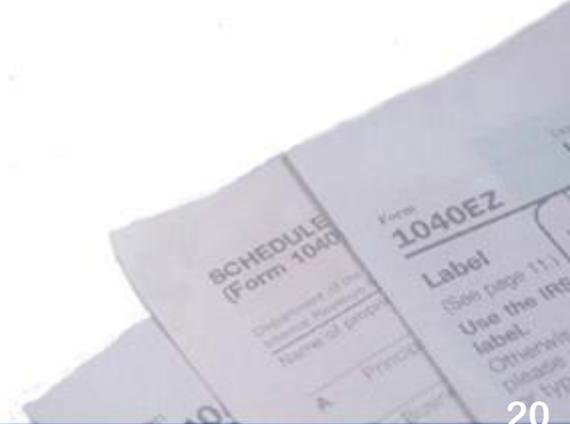
I hold back, deprive myself, so that I can get the computer for my son and other things.”

-Brooklyn Mother



Basic Requirements

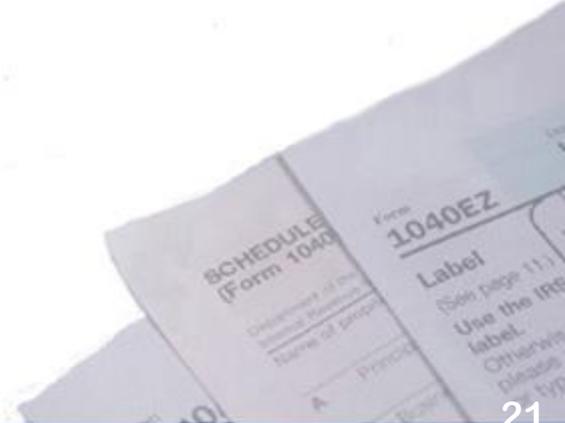
- Have Earned Income
- Social Security Number
- No Married Filing Separate Status
- U.S. Citizen or resident alien
- Cannot be qualifying child of another person



Statistics

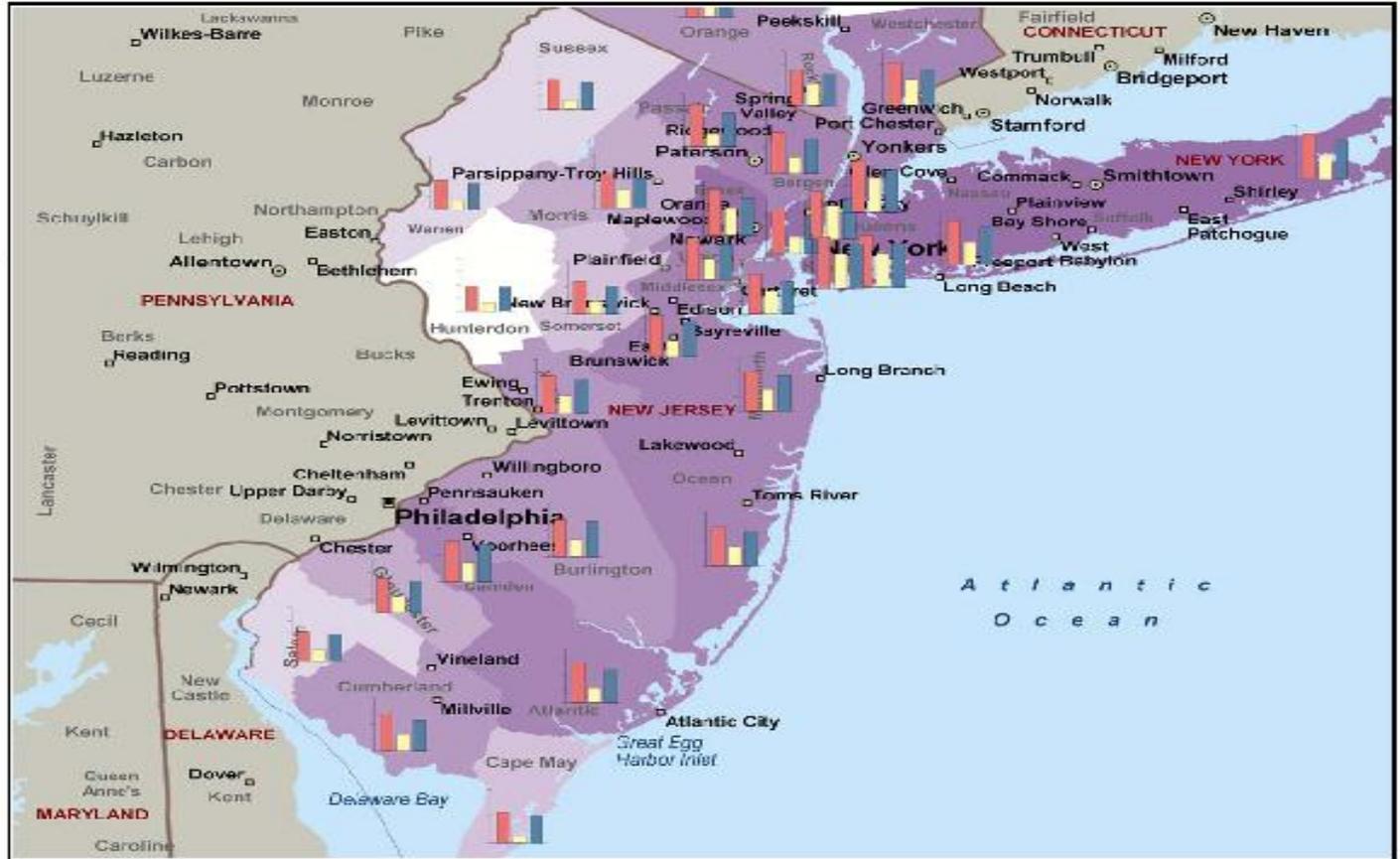
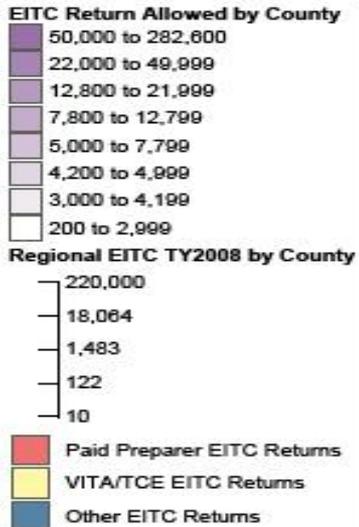
TY2008 EITC Tax Return Data	TERRITORY: BUFFALO, NY	TERRITORY: NEW YORK, NY	TERRITORY: NEWARK, NJ
EITC Returns	474,795	1,057,521	505,607
EITC Amount	\$906,435,126	\$2,190,933,423	\$1,021,097,471
EITC Returns Prepared by Paid Preparer	298,304	818,700	371,399
EITC Returns Prepared by VITA/TCE Sites	24,055	30,648	6,866
EITC Returns Prepared - Other*	152,436	208,173	127,342

*Includes self-prepared



Newark Territory

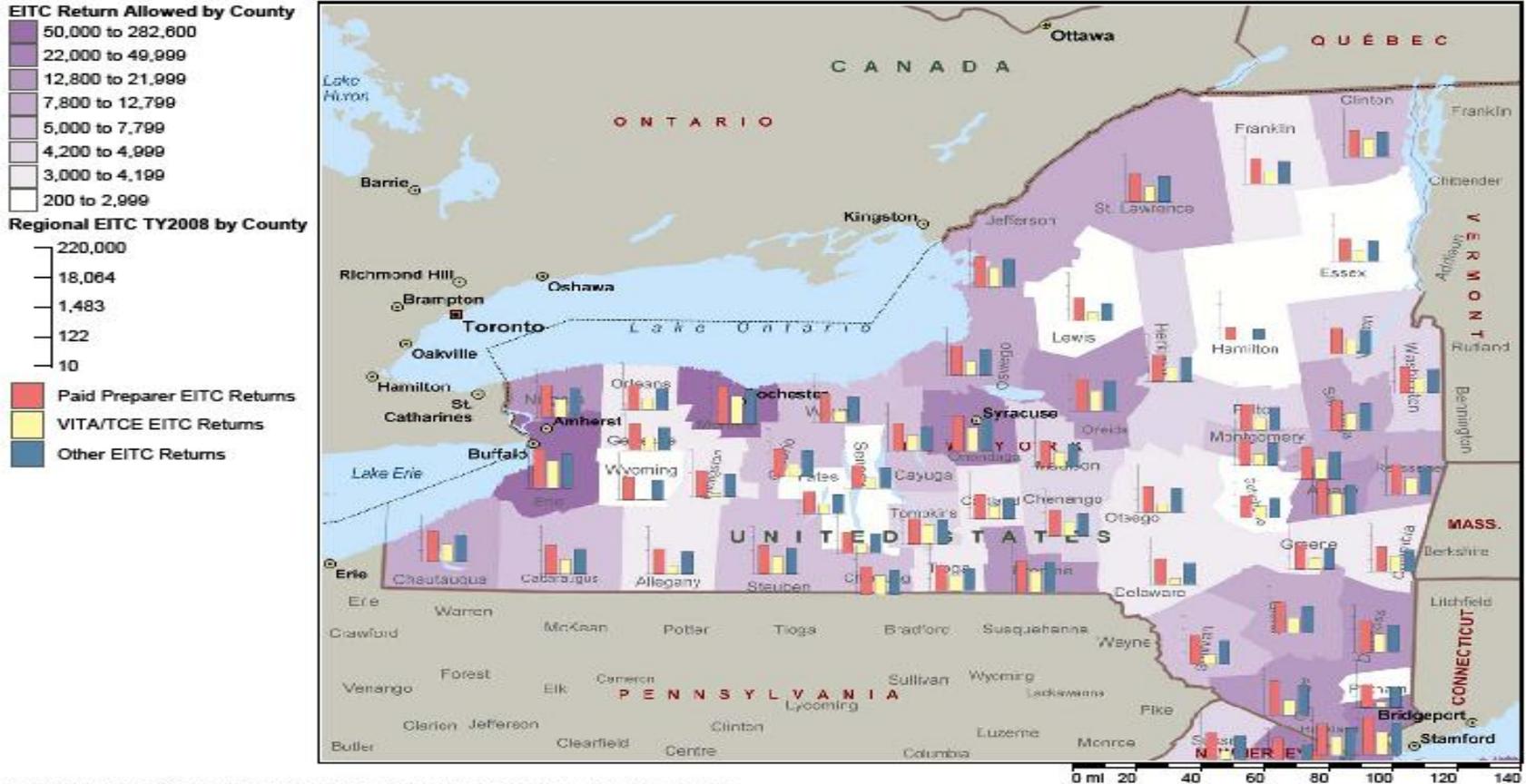
TY2008 EITC Returns



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Buffalo Territory

TY2008 EITC Returns



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Resources

EITC Homepage

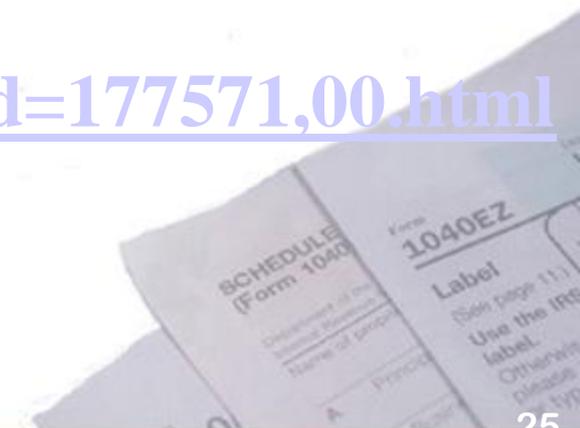
<http://www.irs.gov/individuals/article/0,,id=96406,00.html>

EITC 2006 thru Preview of 2010

<http://www.irs.gov/individuals/article/0,,id=150513,00.html>

EITC Statistics

<http://www.irs.gov/individuals/article/0,,id=177571,00.html>



Resources

Special EITC Rules

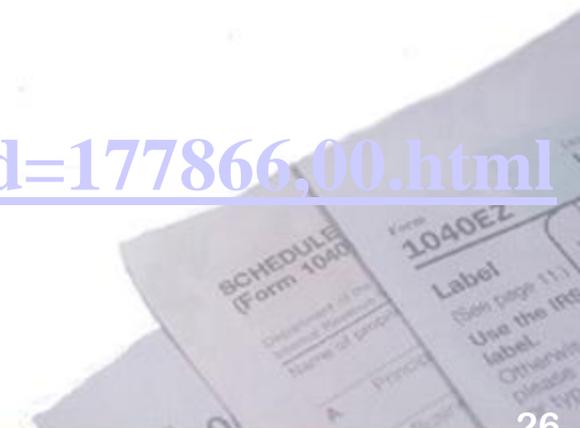
<http://www.irs.gov/individuals/article/0,,id=150708,00.html>

Basic EITC Qualifications – More Info

<http://www.irs.gov/individuals/article/0,,id=150557,00.html>

EITC States and Local Governments

<http://www.irs.gov/individuals/article/0,,id=177866,00.html>



Let's Do It Together

James Duffy

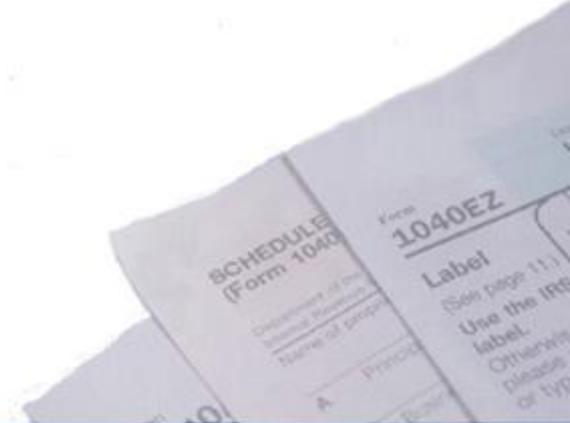
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New York, New York 10007

Phone Number: (212) 436-1031

Email: James.Duffy@irs.gov



Let's Do It Together

Elizabeth Hollingsworth

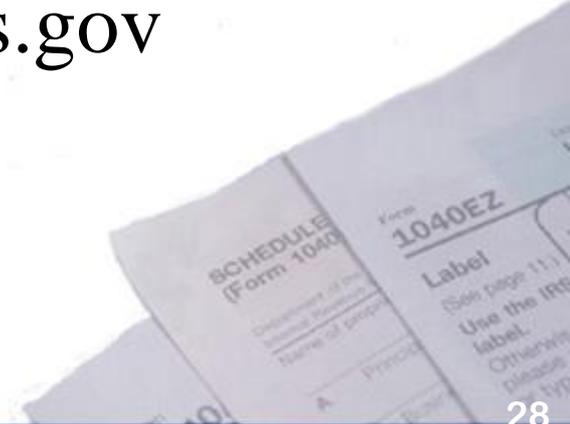
NJ Territory Manager

1 Newark Center

Newark, New Jersey 07102-3110

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Email: Elizabeth.Hollingsworth@irs.gov



Let's Do It Together

Joseph Hayek

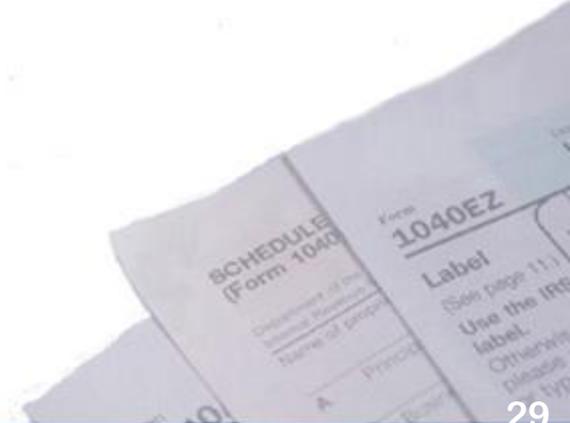
Buffalo, NY Territory Manager

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Questions?

