Maximizing the Earned Income Tax Credit in the District of Columbia

Prepared for:

#DCEITC Forum

December 12, 2018

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The EITC in Washington, DC
EITC: What We Know

- Federal EITC in DC in 2017
  - Over 51,000 Washingtonians claimed the Federal EITC
  - Over $125 Million in EITC Received
  - Average Credit: $2,336
  - Over $75 Million Paid as Refund
EITC: What We Know

- DC EITC
  - Most robust in the nation
  - 40% of Federal EITC

- 2017 Figures
  - Over 52,000 individuals claimed the DC EITC
  - Over $52 Million
  - Average Credit: $993
EITC: What We Know (Cont’d)

- EITC Participation: Nationwide
  - 80% Eligible Taxpayers receive EITC
  - 20% Eligible Taxpayers do not Claim EITC

- EITC Participation: Washington, DC
  - 72% Eligible Taxpayers receive EITC
  - 28% Eligible Taxpayers do not Claim EITC

Sources: US Census Bureau and IRS for Tax Year 2010
EITC: What We Know (Cont’d)

EITC Claimants by Ward
Tax Year 2013

Author’s Extrapolation based on IRS and DC OTR Data
EITC: What We Know (Cont’d)

Total EITC Credits by Ward Tax Year 2013

- Ward 1, $24,325,000
- Ward 2, $13,650,000
- Ward 3, $1,400,000
- Ward 4, $28,350,000
- Ward 5, $23,450,000
- Ward 6, $5,600,000
- Ward 7, $28,175,000
- Ward 8, $47,600,000

Source: IRS
EITC: What We Don’t Know

- Why Eligible EITC Taxpayers are not Claiming EITC
- Total # of Eligible Taxpayers not Claiming EITC
- Breakdown of EITC Claimants by Ward
- # of Eligible Taxpayers not Claiming EITC by Ward
EITC: What We Don’t Know (Cont’d)

Increasing by 10% EITC-eligible Non-Filers Reached

<table>
<thead>
<tr>
<th>Ward</th>
<th>Non-Filers Reached</th>
<th>$ Increase in EITC Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>1449</td>
<td>$1,884,457</td>
</tr>
<tr>
<td>6</td>
<td>1099</td>
<td>$1,350,174</td>
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<tr>
<td>7</td>
<td>901</td>
<td>$1,141,362</td>
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<tr>
<td>5</td>
<td>815</td>
<td>$879,025</td>
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<tr>
<td>4</td>
<td>779</td>
<td>$817,911</td>
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<tr>
<td>1</td>
<td>517</td>
<td>$501,976</td>
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<tr>
<td>2</td>
<td>340</td>
<td>$323,158</td>
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<tr>
<td>3</td>
<td>129</td>
<td>$53,436</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>6030</strong></td>
<td><strong>$6,951,499</strong></td>
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</tbody>
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About the DC EITC Campaign
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- The DC EITC Campaign is a citywide, cross-sector initiative that promotes
  - Economic security
  - Asset building

- Benefits for low- and moderate-income individuals and families by providing access to information on the
  - EITC
  - Free tax preparation services
About DC EITC Campaign (Cont’d)

- The goals of the DC EITC Campaign are to
  - Promote awareness of the Federal and DC Earned Income Tax Credit (EITC) to ensure that eligible workers know how to claim the credits.
  - Educate taxpayers about numerous Federal and DC tax benefits.
  - Inform the community on free tax preparation services provided by community based, educational and faith based organizations in all 8 Wards and online.
  - Connect taxpayers with programs and services to improve financial stability.
How You Can Help
The Road Ahead

- Partner with CAAB to Bring the DC EITC Campaign to
  - Your Clients
  - Community Events
  - Newsletters
  - Staff Meetings
  - Media Partners
- Repost our Social Media Posts
- Display #DCEITC flyers/posters at your organizations
- Include Tax Education and EITC Awareness in Your Services
The Road Ahead (Cont’d)

- Make Introductions / Promote Partnerships
  - Private Sector Employers
  - Community Based Organizations
  - DC Gov’t Agencies
  - Public Charter Schools
  - Unions
  - Faith-Based Organizations
- Join Our Neighborhood Canvassing
www.caab.org

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