

PRESS RELEASE

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DC Earned Income Tax Credit Campaign Launches Free Tax Preparation Services Helping Low-Income Residents Use Tax Refunds to Achieve Financial Goals

(Washington, DC) The DC Earned Income Tax Campaign (DC EITC) kicked off its 2011 tax season Saturday, February 5 with Congresswoman Eleanor Holmes Norton, Councilmember Marion Barry, and other invited guests at the United Planning Organization (UPO) Petey Greene Community Service Center tax site in Ward 8. The Campaign provides free income tax preparation, free e-filing services, no cost bank accounts, and financial education to thousands of low-income taxpayers through April 18.

Adam Perry, DC EITC Campaign Manager, explained that “this city-wide effort helps ensure individuals earning \$22,000 or less and families earning \$42,000 or less can claim and keep the tax credits and refunds they have earned.” Perry went on to say “here in Washington, DC, that can translate into an EITC of about \$8,000 for some low-income families with children – a figure that could equal nearly six months of income.”

Congresswoman Norton thanked the DC EITC Campaign for helping taxpayers claim the EITC while also providing qualifying taxpayers with the tools they need to invest in their own futures. Norton commented that “by connecting taxpayers with resources like free tax preparation, affordable banking and financial literacy programs, our hard working families are placed on an informed path to start building wealth for the future.”

Councilmember Marion Barry participated in the Campaign Kick-off and told attendees “I don’t think DC government or public schools do enough to teach financial literacy to residents and students so they know how to better use their hard earned money to their advantage to improve their lives.” Barry went on to say “I am glad the organizations assembled today are providing these services.”

Capital Area Asset Builders (CAAB) manages the DC EITC Campaign and serves as the Campaign’s fiscal agent. Community Tax Aid, DC (CTA) manages tax site operations and volunteer training for the Campaign. The DC EITC Campaign operates in partnership with the Internal Revenue Service (IRS) which certifies the 500 volunteers who prepare tax returns at 11 tax sites in the DC metropolitan area.

“The EITC – which can double, triple or even quadruple tax refunds - is the single most effective means for lifting working-class people and their families out of poverty – providing opportunities for financial education and enabling life changing differences for brighter financial futures” says Maurita Coley, CAAB’s Executive Director. “Our working residents can use the EITC to build wealth and purchase assets, and we need to make sure that those who qualify are claiming the credit and not leaving any of their hard-earned money on the table.”

“The Earned Income Tax Credit can amount to a substantial refund for working families,” said Mel Hardy, Internal Revenue Service (IRS) Territory Manager, at the Kick-off event. Yet, according to the DC Fiscal Policy

Institute, up to 11,000 District residents who are eligible for the Earned Income Tax Credit are not filing, leaving \$18 million in unclaimed credits on the table each year.

The tax site at UPO's Petey Green Center, however, was at full capacity with walk-in clients. Dana Jones, UPO President and CEO, said "we had an overwhelming response today for these free services in our community and are taking appointments for next week." Repeat tax prep client Valencia Pugh was elated to get her taxes prepared by the Campaign again this year and "highly recommends the service to others," adding "I was able to get credits and a refund I did not know about to help pay for my son's college loan."

DC EITC Campaign partners in attendance included the United Way of the National Capital Area, the Walmart Foundation, the National Disability Institute, and area financial institutions. William Hanbury, CEO, United Way of the National Capital Area, presented a proclamation from Mayor Vincent Gray recognizing the DC EITC Campaign's Kick-off, and offered these words: "This United Way is committed to re-inventing itself, no longer an organization that just collects dollars, but a community impact organization focused on solving our most pressing civic challenges. That's where the Earned Income Tax Credit Program comes into play. We believe EITC benefits the community by providing real tax breaks to some of the folks that need it the most."

Benefits for low-income taxpayers from the DC EITC Campaign's efforts are numerous:

- Each \$1 in EITC claimed generates an *additional* \$1.58 in local economic activity;
- Every \$37,000 in EITC claimed creates one permanent full-time job in the community;
- In the last four years at DC EITC Campaign tax sites:
 - More than 21,000 low-income taxpayers filed their taxes;
 - \$30.7 million was returned to low-income residents through refunds: \$22.9 million in Federal refunds and \$7.8 million in DC refunds;
 - Over \$486,000 in preparation and filing fees was saved by low-income taxpayers;
 - More than 2,000 clients were connected with other financial assistance, including credit counseling, financial literacy classes, and savings products.

Qualifying low-income taxpayers can visit DC EITC Campaign tax sites to receive free tax preparation and e-filing services, which saves money and expedites the filing process, so these individuals and families can receive refunds quickly without paying excessive fees.

A selection of DC EITC Campaign locations are included on the attached flyer and additional information can be found at www.dceitc.org or calling 877-SAVE-515.

Capital Area Asset Builders (www.caab.org) is a nonprofit 501(c)(3) organization that puts people on the road to financial independence. CAAB's programs help low- and moderate-income individuals and families improve their money management skills, increase their savings, and build wealth by investing wisely.

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