

Thursday, January 19, 2006

MAYOR BLOOMBERG ANNOUNCES EXPANDED EFFORT TO BOOST FILINGS FOR THE EARNED INCOME TAX CREDIT

Free Tax Preparation Sites Open Citywide; Private Tax Preparers Provide Discount Vouchers for Target Neighborhoods & Participating Unions

Mayor Michael R. Bloomberg today launched the fourth year of New York City's Earned Income Tax Credit (EITC) Campaign by announcing the opening of more than 40 free tax preparation centers and an expanded partnership with the nation's two largest paid tax preparers, H&R Block and Jackson Hewitt. Joined by Federal Internal Revenue Service Commissioner Mark W. Everson, Department of Consumer Affairs (DCA) Acting Commissioner Jonathan Mintz, FoodChange President Richard Murphy and other EITC Coalition partners including 1199/SEIU Health & Human Service Union President Dennis Rivera, Mayor Bloomberg toured the nation's busiest free tax preparation site run by FoodChange in Harlem and reminded New Yorkers earning less than \$37,000 to claim the EITC when they file their taxes.

"Nearly 800,000 New Yorkers claimed the EITC in 2004, bringing more than \$1.5 billion into our City," said Mayor Bloomberg. "New York City runs the largest EITC campaign in the country – we've distributed more than seven million pieces of literature in 11 languages and have worked to encourage EITC-eligible New Yorkers to open basic bank accounts so they can quickly and safely get the money they've earned without resorting to high fee loans. We continue to encourage all eligible workers to file at one of the free City coalition sites."

"The IRS encourages all who qualify to claim this important benefit," said Federal Internal Revenue Service Commissioner Mark W. Everson. "In particular, I commend the thousands of volunteers across the country and here in New York City who help taxpayers navigate the complexity of our tax code and claim this credit. I thank the Mayor for highlighting this program."

"Under Mayor Bloomberg's leadership, more of New York City's working families have claimed the tax credit they are entitled to," said DCA Acting Commissioner Jonathan Mintz. "More than 100 private and public partners have combined efforts to make tax time more rewarding for those families who need it most. This year, we've expanded those efforts by linking members of participating unions to discount vouchers for private tax preparers. We are also targeting our outreach to specific neighborhoods with the highest concentration of EITC-eligible families and highest usage of expensive loans."

"Our union is happy to join with Mayor Bloomberg in securing the earned income tax credit for tens of thousands of our hard working and deserving home care workers and other working poor in our City," said 1199/SEIU Health & Human Service Union President Dennis Rivera.

"FoodChange prepared 40,000 free quality tax returns last year and help put \$70 million in EITC dollars into the wallets, stomachs and communities of low-income New Yorkers," said Richard Murphy, Executive Director of FoodChange. "This year, we are looking to surpass our numbers and continue to be the nation's number one civilian free tax preparer. Supported by local and national foundations and banks in this effort, FoodChange is proud to be working in all five boroughs as a partner in the City EITC campaign."

The nation's two largest tax preparation services, H&R Block and Jackson Hewitt, have committed to expand efforts to reach EITC-eligible residents. New York City's Earned Income Tax Credit partnership with H&R Block and Jackson Hewitt offers discounted tax preparation to income eligible members of six of the City's labor unions. H&R Block is also extending that program to EITC-eligible residents in 19 neighborhoods targeted by the City.

The EITC returns millions of tax dollars to working families. In some cases, families earning less than \$37,000 can receive up to \$6,000 at tax time from the federal, state and New York City EITC. Qualifying New Yorkers can file retroactively for up to three years, sometimes doubling or tripling refunds. This is the fourth year Mayor Bloomberg has led the largest effort in the country to inform and educate eligible New Yorkers about claiming the EITC. An estimated 200,000 New York residents who are eligible for the EITC never submit a claim.

Full-time and part-time workers, including self-employed workers, who are legally authorized to work in the United States are eligible for the tax credit. A breakdown of eligibility is below.

Tax Year 2005	Maximum Combined Credit	Maximum Federal Credit	Maximum State Credit	Maximum City Credit	Maximum Income
Families with more than one qualifying child	\$5,940	\$4,400	\$1,320	\$220	\$35,263 (\$37,263 MFJ)
Families with one qualifying child	\$3,594	\$2,662	\$799	\$133	\$31,030 (\$33,030 MFJ)
Individuals	\$539	\$399	\$120	\$20	\$11,750 (\$13,750 MFJ)

MFJ = Married Filing Jointly

Highlights of this year's coordinated EITC Campaign include:

Discounted tax preparation for EITC-eligible families in 19 target neighborhoods:

In addition to utilizing free tax preparation partner sites, the DCA identified 19 target neighborhoods citywide based on where most EITC-eligible families reside and where the highest level of expensive Refund Anticipation Loan (RAL) usage is found. H&R Block will offer discounted tax preparation services to residents in the target neighborhoods who make less than \$40,000 and are new customers for them. Refund anticipation loan products will not be offered to these customers.

The 19 target neighborhoods include: (**Bronx**) Fordham, Bronx Park, Highbridge-Morrisania, Crotona-Tremont; (**Brooklyn**) East New York, Greenpoint, Williamsburg-Bushwick, Bedford-Stuyvesant, Crown Heights, Flatbush, Coney Island; (**Queens**) Flushing, Jamaica, The Rockaways, and Jackson Heights/Elmhurst/Corona; and (**Manhattan**) Washington Heights, East Harlem, Central Harlem, Lower East Side.

Discounted tax preparation for unions:

H&R Block and Jackson Hewitt will continue to prepare taxes at a sharply discounted rate for workers from participating unions: **SEIU-1199, UNITE HERE** -- including the Hotel Trades Council, and the **Communications Workers of America Local 1182**. New unions in the partnership this year include **SEIU Local 74, Teamsters Local 237, and AFSCME DC 1707**. Members of participating unions will receive coupons good for \$50 off the cost of tax preparation with a total fee no more than \$75, and no RALs.

Material distribution to clients of City agencies, including parents of NYC school children:

Working with the Department of Education, information in 11 languages will be sent to parents via school principals in nearly 500 schools located within the 19 target neighborhoods. The Human Resource Administration (HRA), Department of Probation and the Department of Correction have all done targeted distribution, and the Office of Payroll Administration (OPA) has informed all employees through payroll stubs and W-2 forms.

Running Volunteer Income Tax Assistance (VITA) sites citywide:

More than 40 sites citywide are preparing taxes for New Yorkers earning less than \$40,000. Some VITA sites will also help residents file for other credits such as the child care credit, to help workers claim all the benefits they deserve.

The NYC EITC Coalition, coordinated by the DCA, will also continue to partner with the media to promote the EITC as part of an extensive advertising effort in 11 languages, blanketing subway and buses with ads containing the tagline "*It's Your Money, Come and Get It!*" The campaign also utilizes 311 and www.nyc.gov to direct callers to free tax sites throughout the City. Over the past three years, the Coalition has surpassed its goals by helping more than 50,000 New Yorkers apply for nearly \$100 million in tax credits at partner sites alone. Coalition partner FoodChange, formerly Community Food Resource Center, runs the three busiest non-military free tax sites in the nation, located in Harlem and the Bronx.

New Yorkers can locate the free tax assistance site most convenient for them by dialing 311 (or 212-NEW-YORK) or going online to www.nyc.gov/eitc. The Citywide EITC campaign boasts more than 100 non-profit, corporate and government partners. Materials are available in the following 11 languages: Albanian, Arabic, Bengali, Chinese, English, Haitian-Creole, Hindi, Korean, Russian, Spanish, and Urdu. For more information about the EITC, call 311, or go online at www.nyc.gov/eitc.