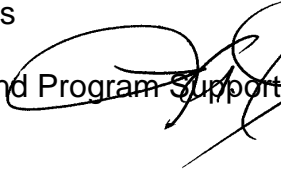




Jeb Bush
Governor
Susan Pareigis
Director

MEMORANDUM

DATE: February 2, 2006
TO: Regional Workforce Board Executive Directors
FROM: Lois A. Scott, Program Manager, One-Stop and Program Support 
SUBJECT: Earned Income Tax Credit (EITC)

During the December 2005 Workforce Florida Board Meeting, WFI challenged attendees to “name the economic development initiative that could yield at least 100 million dollars in new revenue to Florida, with the net gain increasing each year¹.” Consequently the following questions were raised: (1) What lower income family with two or more children who file a joint income tax return could use up to \$4,400? and (2) What lower income family could use a weekly or periodic pay supplement in addition to an end of the year lump sum payment at no cost to the employer? The correct answer is: **all of them**.

So, why isn't every lower income family being returned more tax dollars or receiving a pay supplement? Many families are unaware of the Earned Income Tax Credit, or the EITC, which is a refundable federal income tax credit for low-income working individuals and families. The EITC also assists low-income workers by increasing their financial stability. This income tax credit reduces the amount owed in federal taxes and can result in a refund check.

Did you know²:

- In the tax year 2003, approximately 22 million working families and individuals received 39 billion dollars in EITC refunds?
- In 2003, Florida had 1,576,000 families and individuals who received 2.8 billion dollars in EITC funds?
- A projected 635 million dollars is still going unclaimed in Florida, which represents about 350,000 working families/individuals who are not taking advantage of the EITC?

¹ Excerpt from The Not-So-Secret \$100 Million Economic Develop Project article by Mike Switzer

² All facts extracted from the December 2000 Workforce Florida, Inc. Board meeting agenda (tax statistics were secured from <http://www.irs.gov/taxstats/article/0,,id=98123,00.html>)

Agency for Workforce Innovation

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What can be done?

- Display posters regarding the EITC program throughout the One-Stop Career Centers, including the ability to file a W-5 "EIC Advance Payment Certificate" with the employer's human resource or payroll department.
- Include a brochure with the transitional services reminder letter that is sent to Welfare Transition (WT) participants who stop receiving cash assistance due to earned income.
- Review EITC opportunities at One-Stop Career Centers or programmatic orientations.
- Include EITC education and information requirements in program or special project deliverables.

Some Regional Workforce Board (RWB) providers have taken **innovative steps** to help working families apply for benefits and receive maximum dollars in return by:

- Inviting community partners to share tax information during job search and job club activities;
- Engaging employers to provide information and documents to all new employees; and
- Inviting community partners or tax services into the One-Stop Career Center to assist individuals with the tax preparation process.

There are two IRS websites that provide valuable information relative to this program. The first provides forms and publications that partners can download to provide to individuals and families ([EITC Forms](#)). The second site is for individuals to use to determine if they may be eligible for EITC ([Qualifying for EITC](#)). The literature is available in both English and Spanish.

The Agency for Workforce Innovation (AWI) has designed a brochure that RWBs and program providers may distribute, as well as a poster that may be displayed. The brochure has been created in three programs, Microsoft Word, Microsoft Publisher and as an Adobe document. The RWB may add contact information on the Microsoft Word and the Microsoft Publisher documents. The brochure and poster can be downloaded from the AWI website at http://www.floridajobs.org/resources/workforce_res.html

For comments or questions, please contact Erica Mott at erica.mott@awi.state.fl.us .

cc: Mike Switzer
JenniLee Robins
Barbara Griffin
Susan Simpler

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