



December 2004

Dear Friend:

Thanks for joining the national effort to **Make Tax Time Pay** for working families and individuals. By promoting the Earned Income Credit (EIC) and the Child Tax Credit (CTC), you can help low- and moderate-income workers take advantage of the tax benefits they've earned. In 2004, nearly 21 million workers claimed more than \$37 billion in Earned Income Credits alone. Many of them also received a substantial boost from the Child Tax Credit. These tax credits continue to be vital work supports for employees in low-wage jobs, helping many to make the transition from public assistance into the labor force. The credits also provide critical help to workers hurt by the economic slump who may have lost their jobs or had their wages reduced. For workers who have earned less than they anticipated in 2004, the EIC and the CTC can go a long way towards relieving the mounting pressures they face in trying care for their families.

This year the EIC is worth more than ever — \$4,300 for some families. Many families also may qualify for the CTC — and some workers not eligible for the EIC may qualify for the CTC — worth up to \$1,000 for each child. Yet, millions of eligible workers risk missing out on these important federal tax benefits because they do not know they qualify, do not know how to claim the credits, and do not know where to find free tax filing assistance.

**This Outreach Campaign Kit can provide everything you need to help workers get the tax credits they've earned:** easy-to-read fact sheets on both credits; a full range of outreach strategy ideas that have been used successfully in local communities; posters, flyers, and envelope stuffers in English and Spanish; and the essential tax forms workers need to claim the credits. **A brief guide to the materials in this kit is on the reverse side of this letter.**

By getting involved in tax credit outreach, your organization becomes one of thousands across the country helping millions of working families and individuals claim the tax credits for which they qualify. Your outreach efforts link working families with the support they need to maintain their jobs — extra money to help cover transportation, child care expenses and health care costs and pay household bills. Whether you put up a poster, pass out flyers or run a full-fledged campaign, your efforts to promote the EIC and the CTC can make a dramatic difference in the lives of low-wage workers.

As you move forward, the Center's outreach staff is standing by to answer your questions, supply additional materials and deliver any technical assistance you may need. Do not hesitate to contact us at 202-408-1080 or at [eickit@cbpp.org](mailto:eickit@cbpp.org). Thanks in advance for your hard work on behalf of working families and individuals.

Sincerely,

Donna Cohen Ross  
John Wancheck  
Roxy Caines  
Shaunya Owens

# What's in the 2005 Outreach Campaign Kit?

**The tax credit Outreach Campaign kit contains four booklets, as well as an Outreach Campaign Tools Envelope, to guide outreach efforts on the EIC and CTC.**

## **Facts About the Earned Income Credit: Tax Time Can Pay for Working Families**

This booklet provides fact sheets explaining all the basics about who is eligible for the EIC and how to claim it.

*New!* **Two new sections are included this year:** rules for workers with disabilities and families raising children with disabilities and facts about the advantages of Roth IRA's.

## **Facts About the Child Tax Credit: Tax Time Can Pay Even More For Working Families**

This booklet explains the rules for claiming the Child Tax Credit (CTC) refund, made available to many low-income families for the first time in 2002. To help Outreach Campaign partners understand the complexities of the CTC, this booklet provides numerous scenarios illustrating how families can now benefit from this vital credit.

## **Making Tax Time Pay: How to Promote the Earned Income Credit and the Child Tax Credit**

This outreach strategy guide presents twelve key strategies for tax credit Outreach Campaigns and illustrates how effective outreach techniques are being implemented across the country. Examples of successful efforts spearheaded by new and veteran local campaign partners are highlighted when you see this Reach Out logo:



*New!* **There are two new sections in this year's strategy guide.** The first focuses on ensuring that workers with disabilities or who are raising children with disabilities know about special rules that help them qualify for the credits and provides ideas for enlisting organizations working with people with disabilities in outreach. The second new section highlights ways to help military families get the tax credits they've earned.

## **Helping Workers Claim the Tax Credits They've Earned: How to Link Them to Free Tax Filing Assistance**

This booklet highlights the importance of directing workers to places they can get their tax returns completed and filed for free, including the IRS-sponsored Volunteer Income Tax Assistance (VITA) program and Low-Income Taxpayer Clinics.

## **Outreach Campaign Tools Envelope**

The tools provided include posters, flyers and envelope stuffers, in English and Spanish, which encourage workers to claim all the tax credits they've earned. The Schedule EIC and the Form 8812 — the forms needed to claim the EIC and the CTC — are also included. These forms can be photocopied and distributed to eligible workers. Check out the table "EIC Participation Tax Year 2003, by State," for the number of EIC claims filed and the amount of EIC benefits workers in your state received last year.

## **Special Alert on the IRS "Certification" Procedure**

This Special Alert describes the EIC certification test that the IRS began in November 2004. EIC certification is a new eligibility procedure the IRS is testing on a specially selected group of 25,000 filers, designed to verify that a child claimed for the EIC on a 2004 tax return lived with the worker for more than half of 2004. The Special Alert details which workers will be affected, what they are required to do by the IRS and how Outreach Campaigns can assist them.