

Tax credit education efforts paying off

Morris groups say more are aware of, looking to learn about programs

BY MICHAEL DAIGLE
 DAILY RECORD

Agencies working to help seniors, veterans and low-income families gain additional tax refunds or credits say their efforts to boost awareness of the programs are showing results.

This year, thanks to publicity about the EITC — the Earned Income Tax Credit — First Call for Help 2-1-1 has received 138 calls about the program, said Mary Jo Buchanan, Morris County's director of human services. Last year, the service got five calls.

Penny Olson, director of NORWESCAP's Family Self-Sufficiency Program in Morris County, said her agency, along with the United Way of Morris County, promotes the EITC at free tax-preparation sites across the county staffed by volunteers from her agency's Retired and Senior Volunteer Program.

The EITC is designed to help lower-income working families get back taxes from the federal and state governments. A family of four could qualify for as much as \$5,659 in 2007 state and federal tax credits.

Stephanie Gonzalez, a resident of Homeless Solutions transitional housing, said she applies every year for the tax credit and was able to buy a car.

Gonzalez, a medical receptionist at St. Barnabas Medical Center in Livingston, said that before she got the car, she took a van to work. The trip added long hours of traveling and kept her from her four children, ages 6 to 15.

"It has been a blessing," she said of her car. "My children look forward to riding in the car and not having to take a bus, a train or a van."

On average, Gonzalez said, she has received between \$1,000 and \$2,000 annually by applying for the earned income tax credit.

She was surprised to hear that some people did not file for the credit. She said that notices at the shelter and at work remind workers of the credit.

Gonzalez said she also is learning about the federal economic tax rebate, and was interested to learn that it could be worth \$1,200 to her.

"That would help a lot," she said.

Taxpayers who received at least \$3,000 in income, Social Security, veterans' and railroad benefits and do not normally file a federal tax return should plan to file a Form 1040 or Form 1040A to qualify for the rebate, officials said.

Last year, Sheila Carter, human services department coordinator for the EITC program, said 10,530 Morris County families got back \$16.2 million. Their average tax return was \$1,533 larger.

Gov. Jon Corzine recently signed legislation that opened up the EITC benefit to 300,000 workers statewide. The change means that a family of four earning up to \$39,783 could qualify for a federal tax benefit of \$4,716 and a state tax benefit of \$983. This amount also applies for a single head of household with two children earning \$37,783.

Eligible in Morris

According to the U.S. Census Bureau in 2006, 26,586 families in Morris County — or 15 percent of households — earned less than \$34,999, and another 17,835 families earned less than \$49,999. Combined, 44,421 families — or 25 percent of the county's 174,256 households — earned less than \$49,999 in 2006.

The change also means that married workers without children who earned less than \$14,590 in 2007 qualify for the EITC.

Making ends meet

Childless adults who claim earned income tax credit (EITC), the nation's most successful anti-poverty program, don't receive as much help as families.

States with their own EITC

Earned income tax credit

Comparison of 2007 EITC benefits

	Childless worker	Single parent, one child
Maximum EITC	\$425	\$2,853
EITC begins phasing out	\$7,000	\$12,590
EITC fully phased out	\$15,390	\$33,241

Source: Center on Budget and Policy Priorities
 Graphic: Melina Yingling

Childless workers who were eligible for EITC in 2005:

- Average earnings about \$6,050
- 21 percent work full time, year round
- 80 percent have at least a high school diploma
- 16 percent married; 45 percent single; 39 percent single women
- 60 percent non-Hispanic, white; 17 percent black; 15 percent Latino

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To get a rebate

■ For information on earned income tax credits, call First Call for Help, 2-1-1, or call NORWESCAP RSVP Volunteer Resource Center, Denville at (973) 784-4900, ext. 101. Information also is available at the United Way of Morris' site, linked from this story at dailyrecord.com.

■ You are eligible for the 2007 federal stimulus tax rebate if you have \$3,000 or more in qualifying income from the following sources: earned income; Social Security; certain railroad retirement benefits; certain veterans benefits and nontaxable combat pay.

For information, call the IRS Hotline at (866) 234-2942 or visit the IRS online, linked from this story at dailyrecord.com. Report any attempted scam related to the rebate program to phishing@irs.gov.