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Read the report at http://www.policymattersohio.org/eitc/who_takes_credit_2006.htm

More Cleveland workers get free tax preparation Local coalition expands access to Earned Income credit

More working families in Cuyahoga County received free tax preparation at volunteer income tax assistance (VITA) sites in 2006 than in any previous year. The Cuyahoga EITC Coalition filed more than 3,444 tax returns with nearly half qualifying for the Earned Income Tax Credit (EITC). The Coalition returned more than \$4.2 million in total refunds to working families, allowing them to keep their tax return dollars rather than losing money to paid preparers. This is a 50% increase in the number of returns and more than 60% increase in the amount refunded to families from last year.

“More working families in our community are getting the credits they deserve and avoiding expensive fees and high interest loans,” said **David Rothstein, Research Assistant for Policy Matters Ohio**.

Policy Matters Ohio distributed a survey to more than 1,000 of the filers at Cuyahoga VITA sites. Survey findings include:

- ◆ Filers said they would use their refunds toward basic needs purchases in the community such as household bills (47%), savings (22%), housing (19%), food (17%), and clothing (12%).
- ◆ More than 20% of filers this year reported getting their taxes done at a paid preparer last year and 45% had done so in previous years.
- ◆ Roughly 65% of those who received free tax preparation did not report receiving public assistance like Medicaid (13%) or Unemployment Insurance (2%).
- ◆ Most respondents said that the service being free motivated them to use a VITA site.

“The return on the County's investment in the Cuyahoga EITC Coalition has been phenomenal,” said **Cuyahoga County Commissioner, Peter Lawson Jones**. “For a small investment, we have helped the Coalition secure more than \$2.5 million for local working families, money that will enable them to meet their basic needs or begin their own savings program.”

The EITC is a federal tax credit available to families earning less than about \$37,000 a year. Credit eligibility and amount vary by family size and income. In 2004, Ohio families received \$1.3 billion for an average EITC of approximately \$1,700 per family. Cuyahoga County provides funding to the Cuyahoga EITC Coalition to provide free, certified tax assistance.

Policy Matters Ohio is a non-profit, non-partisan policy research institute. The Cuyahoga EITC Coalition member provides low-income taxpayers with quality tax preparation, wealth building opportunities and other services to strengthen our neighborhoods' economies.

The full report is available on the web at www.policymattersohio.org and www.refundohio.org.

