



County of Sacramento  
Department of Human Assistance



## Earned Income Tax Credit (EITC) Fact Sheet

### *A Tax Benefit for People Who Work*

#### **Background**

For the tenth consecutive year, the Sacramento County Department of Human Assistance (DHA) is partnering with the Internal Revenue Service (IRS) to provide free tax assistance for low and moderate-income working families, many of whom are entitled to the Earned Income Tax Credit (EITC).

EITC is a refundable tax credit for people who work, but don't earn high incomes. It is in addition to any refund they may already receive. In most cases the EITC does not affect eligibility for benefits like food stamps, cash assistance, Medi-Cal, SSI or subsidized housing. If they qualify, eligible taxpayers could pay less federal tax, no tax or even get a tax refund from the IRS.

#### **Purpose**

County programs are designed to help welfare recipients prepare for and get jobs as well as provide supportive services and work incentives that will help them stay employed. Increased emphasis on welfare to work programs has prompted Sacramento County to build new relations with businesses and partnering agencies.

The IRS estimates that millions of dollars in credits go unclaimed each year simply because eligible taxpayers don't apply. Approximately 24,000 Sacramento County families are potentially eligible for EITC.

#### **Services**

The services are offered at three DHA offices in Sacramento County, as well as the Sacramento Employment and Training Agency (SETA) Career Centers, and the City of Sacramento.

In addition to the increased number of sites, DHA also established an EITC hotline number **916-875-0984** for tax filers to call to help identify which site in his or her neighborhood would be most convenient. For a list of additional locations, call **2-1-1**.

#### **Results**

In the first year of the partnership, the IRS trained 40 Sacramento County employees who prepared and electronically filed nearly 700 tax returns claiming nearly \$1M in refunds. Since the beginning of the program, more than 450 Sacramento County employees have been trained to electronically file tax returns and help taxpayers apply for the EITC.

Over the last nine years, DHA and partner agency staffs have prepared more than 23,000 tax returns. The total EITC dollar amount claimed was over \$24.9M, and total state and federal income tax refunds returned was \$32.4M.

**Eligibility**

To claim EITC, the tax filer, his or her spouse, and qualifying children must have a valid Social Security Number. Tax filers cannot qualify if their SSN states NOT VALID FOR EMPLOYMENT. Individual Taxpayer Identification Numbers (ITINS) and Adoption Taxpayer Identification Numbers (ATINS) are also ineligible for the credit. Maximum earnings is \$41,500. That will vary based on make-up of household.

**Please note: Tax refunds do not affect eligibility for public assistance, in most cases.**

To schedule a tax preparation appointment with DHA call **(916) 875-0984** after January 2, 2009 or visit DHA's website at <http://dhaweb.saccounty.net>.

For more information call:

Kathy Seatris, EITC Coordinator  
(916) 875-1343