



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
ATLANTA, GA 30308

COMMISSIONER  
WAGE AND INVESTMENT DIVISION

OCT 17 2001

Mr. Robert Greenstein  
Executive Director  
Center on Budget and Policy Priorities  
820 First Street, N.E., Suite 510  
Washington, D.C. 20002

Dear Mr. Greenstein:

I want to assure you that the Internal Revenue Service will continue to provide full support for our VITA/TCE programs during the 2002 filing season. We will provide technical tax assistance, volunteer training, computers, and software to the VITA/TCE sites in all of our territories. Additionally, we will increase our efforts to reach more external partners and expand our outreach program to local communities. In subsequent years, we will significantly increase our efforts to solicit external partners to increase the number of taxpayers assisted.

The IRS will also continue to support the Earned Income Tax Credit Program (EITC). Our goal is to ensure that all individuals who qualify for the EITC file accurate tax returns and properly claim the credit. We will use demographic data to increase our VITA/TCE locations in the areas with the greatest need and increase our outreach efforts to alert taxpayers about the free tax preparation service.

If you have any questions or concerns regarding the coming filing season, please feel free to contact Mr. Richard Holland, Chief, Volunteer and Community, 233 Peachtree Street, Fourth Floor, Stop 53WI, Atlanta, GA 30303.

Sincerely,

  
John M. Dalrymple



December 2001

Dear Friend:

Thanks for your interest in the **Earned Income Credit Campaign 2002**, a national effort to “Help Workers Boost Their Paychecks!” In 2001, nearly 19 million low- and moderate-income workers claimed Earned Income Credits (EIC) worth \$31 billion. A highly effective work support, the EIC lifts more working families out of poverty than any other government program.

This year the credit can boost workers’ paychecks higher than ever — it’s worth \$4,008 for some families. *And now there’s even more good news.* The tax cut legislation Congress passed earlier this year significantly expanded the Child Tax Credit (CTC), creating a major new opportunity for millions of families to boost their income over and above the amount of the EIC. Many families not eligible to participate in the past can now get a CTC of up to \$600 per child this year. And, for the first time, families that owe no income tax can get the CTC as a refund from the IRS — *many working families now qualify for both the EIC and the new CTC refund!*

By joining the EIC Campaign, your organization can become one of thousands across the country helping millions of working families and individuals obtain these vital federal tax benefits. The EIC and CTC can help low-wage workers pay monthly household expenses and cover transportation and child care costs, providing the support they need to maintain their jobs. This year many workers who are struggling to cope with the effects of the economic downturn will badly need the help the two credits can provide.

**This kit can help you address some of this year’s big challenges.** What are these challenges? First, the new CTC brings with it a new level of complexity for families trying to navigate the tax filing system. The CTC eligibility rules are different from the rules for the EIC, and families are required to file a new tax form in order to claim the CTC refund. Most families eligible for the EIC will be eligible for both credits and outreach efforts will be needed to help them claim both. At the same time there are families that will qualify for only one of the credits. EIC Campaign partners will want to devise special efforts to reach workers who do not qualify for the EIC, but who can claim the new CTC (for example, non-custodial parents who claim their children as dependents on their tax returns), since they may be missed by traditional EIC outreach efforts. Guiding families to free tax filing assistance — a service they will need more urgently than ever before — will be a top priority. Free services, like the IRS-sponsored Volunteer Income Tax Assistance (VITA) program, help workers save money and avoid errors.

Second, workers who formerly were ineligible for the EIC and the CTC may become eligible if their income declines due to loss of a job or a cut in work hours. Many are apt to know little or nothing about these credits. Others, who are unemployed, may mistakenly believe they are not eligible because they are not currently working. In fact, they may qualify based on the income earned earlier in the year. It will be critical to create new messages and engage new partners in outreach. For example, working with businesses and labor unions — particularly those representing industries hit hard by the recession — will be key.

A third focus is the emphasis on outreach to immigrant workers. Immigrant workers who are legally authorized to work may be unaware that, although they may not be able to receive food stamps or other public benefits, they can qualify for the EIC. Although they need to have a Social Security number to claim the EIC, they can claim the CTC with either a Social Security number or an Individual Taxpayer Identification Number (ITIN). It will be very important to advise immigrant workers about the opportunities available to them and to ensure bilingual assistance can be found at free tax filing locations.

The EIC Campaign 2002 outreach kit has been reorganized to help you approach the EIC Campaign season with renewed vigor. **Here's what's inside:**

- **Facts About the Earned Income Credit** — This booklet brings together all the basics about who is eligible for the EIC and how to apply. Special sections feature commonly asked questions and answers, ideas about how the EIC can help families build assets, and information on the new Saver's Tax Credit.
- **Facts About the New Child Tax Credit** — This brand-new booklet explains the rules for claiming the new CTC refund. To help EIC Campaign partners get comfortable with the new rules and calculations, it provides numerous scenarios demonstrating how families can now benefit from this vital credit.
- **Helping Workers Boost Their Paychecks: How to Promote the Earned Income Credit and the New Child Tax Credit** — Our new strategy guide illustrates how effective outreach techniques are being implemented across the country. Throughout the guide, *Extra Credit!* reminders suggest ways to incorporate CTC outreach into campaign activities.
- **Helping Workers Claim the Tax Credits They've Earned: How to Link Them With Free Tax Filing Assistance** — This new booklet spotlights the importance of directing workers to VITA sites and to Low-Income Taxpayer Clinics. It features ideas for expanding and improving VITA services. *Extra Credit!* reminders focus attention on why the new CTC makes free tax filing assistance more important than ever.
- **Outreach Tool Envelope** — Our newly designed posters, flyers, and envelope stuffers in English and Spanish now carry an *Extra Credit!* message about the CTC. The Schedule EIC and the new Form 8812 — the forms needed to claim the two credits — also are included. These forms can be photocopied and distributed to eligible workers.

The EIC and CTC can make a real difference in the lives of millions of low-income workers. Whether you put up a poster, pass out brochures or run a full-fledged campaign, your work has an impact. The Center's EIC Campaign 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,



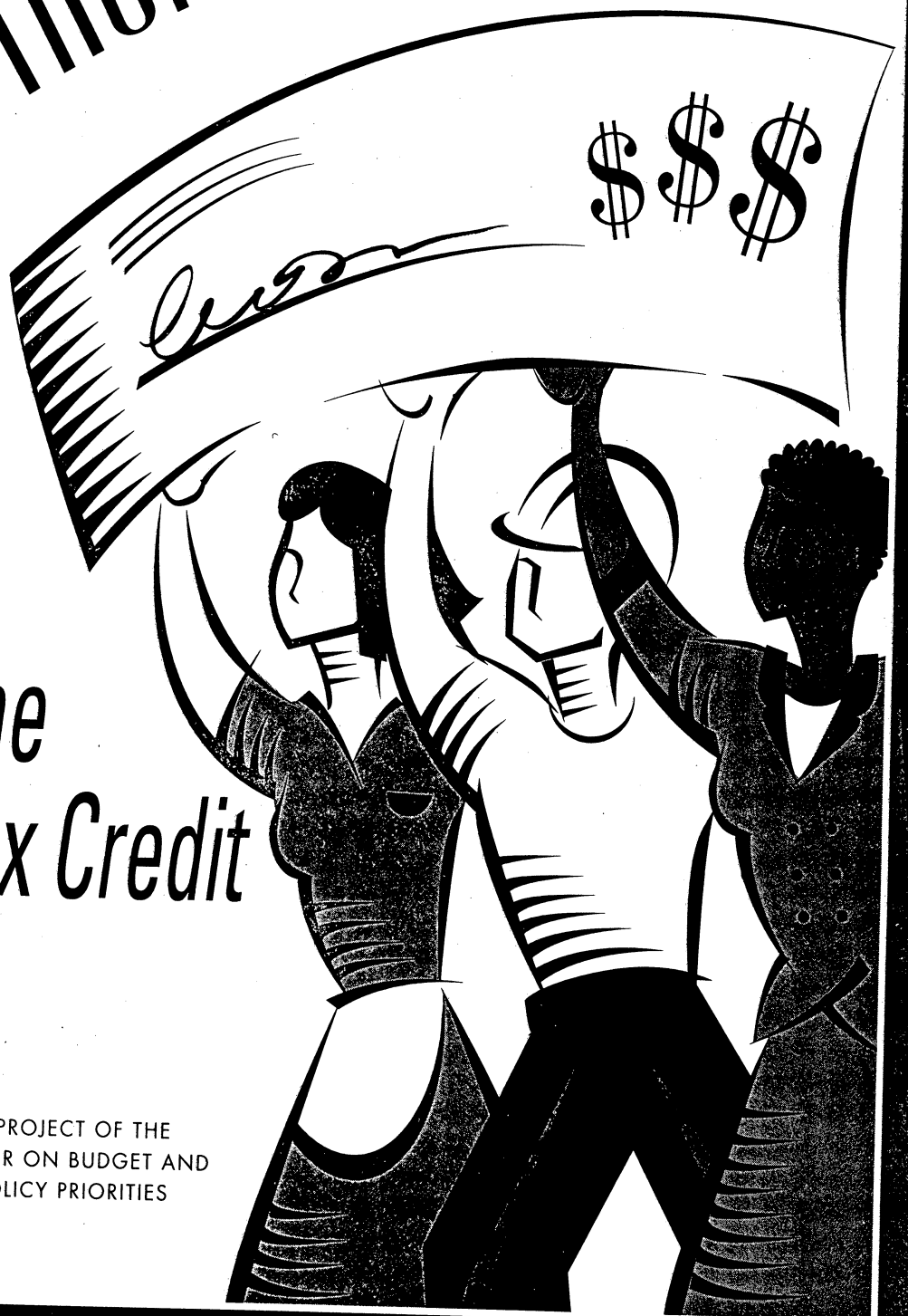
Donna Cohen Ross  
Director of Outreach



John Wancheck  
EIC Campaign Coordinator

# Helping Workers Boost Their Paychecks:

*How to  
Promote the  
EIC — and the  
New Child Tax Credit*



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POLICY PRIORITIES

# Helping Workers Claim the Tax Credits They've Earned.

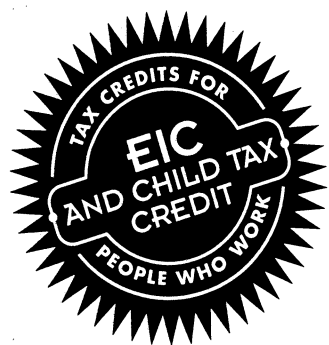
*How to  
Link Them With  
Free Tax Filing  
Assistance*



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# Facts About the Earned Income Credit:

A Tax Credit  
for People  
Who Work



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# Facts About the New Child Tax Credit:

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*A Bigger  
Paycheck Boost  
for Many Families*

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# What's Inside?

## *Outreach Campaign Tools:*

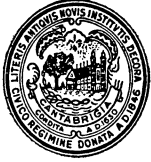
- EIC Flyer (English/Spanish, reproducible)
- EIC Brochures (English/Spanish, reproducible)
- Envelope Stuffer (English/Spanish, reproducible)
- Two Color Posters (English/Spanish)
- EIC Participation for Tax Year 2000, by State

## *Tax Forms:*

- Schedule EIC 2001 (qualifying child information)
- Form 8812 (Additional Child Tax Credit)

*Stay on the EIC Campaign List!*  
*Business Reply Card*





# City of Cambridge

O-18.

IN CITY COUNCIL

January 28, 2002

VICE MAYOR DAVIS  
COUNCILLOR SIMMONS  
COUNCILLOR MURPHY  
COUNCILLOR TOOMEY  
MAYOR SULLIVAN  
COUNCILLOR DECKER

ORDERED: That the City Manager be and hereby is requested to confer with the Department of Human Services to create a public information program to help workers claim the tax credits that they have earned, including the new child tax credit which will have a particularly beneficial effect on low income families (IRS packet to be included with this order and transmitted to the City Manager).

In City Council January 28, 2002.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

A handwritten signature in black ink that reads "D. Margaret Drury".

D. Margaret Drury  
City Clerk

CM-16

**Order #18**

Confer with the Department of Human Services to create a public information program to help workers claim the tax credits that they have earned, including the new child tax credit which will have a beneficial effect on low income families.

**Vice Mayor Davis, Councillors  
Simmons, Murphy, Toomey,  
Mayor Sullivan and Councillor  
Decker**

**In City Council January 28, 2002**

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**ORDER ADOPTED**