



To: The Mayor

From: Tom Cochran

CEO and Executive Director

A handwritten signature in black ink that reads "Tom Cochran".

Date: December 21, 2010

Re: Earned Income Tax Credit (EITC) Toolkits

Over the past several years The U.S. Conference of Mayors has been involved in a partnership with the Annie E. Casey Foundation to call attention to what mayors can do to help working families achieve economic success. To assist mayors in doing this, the Conference is working with Casey to promote the development of local campaigns to encourage working families to take advantage of federal tax credits, especially the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).

Enclosed please find the 2011 Earned Income Credit and Child Care Tax Outreach Toolkit compiled by the Center for Budget and Policy Priorities, which includes specific guidelines to help you establish EITC programs in your city. Additional information and resources on EITC can also be obtained from the Internal Revenue Service website ([www.irs.gov](http://www.irs.gov)).

Every year the EITC lifts more families out of poverty than any other program the federal government offers. However, it still remains one of the most underutilized programs. The EITC is a refundable tax credit available to working families and individuals earning low-to-moderate incomes. In 2010, nearly 26 million eligible families and individuals claimed Earned Income Tax Credits worth \$58 billion and Child Tax Credit refunds worth \$10 billion. Working Families are eligible to receive as much as \$5,666 in tax credits in 2011. In August 2010, President Obama signed legislation that repealed the Advanced Earned Income Tax Credit, which will not allow recipients to claim Advanced EITC after December 31, 2010. The IRS announced that starting January 2, 2011 it will no longer provide tax preparers and associated financial institutions the "debt indicator," which is used to facilitate refund anticipation loans (RALs). With the economy struggling to recover from the recession and unemployment almost at 10 percent, your programs and outreach are now more important than ever.

We hope that you will join in this worthwhile campaign to help aid working families within your city. If you have any questions regarding the EITC campaign or the tool kit please contact Kathleen Amoroso, Assistant Executive Director, at (202)293-7330 or [kamoroso@usmayors.org](mailto:kamoroso@usmayors.org).