

Press Release

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Only 2% of Bay Area's Poorest Taxpayers Take Advantage of Free Tax Help

Bay Area's Largest FREE Tax Assistance Program Aims to Reach 25,000 Low-income Families During 2008 Tax Season

SAN FRANCISCO, January 31, 2008 – Although approximately one million low-income tax payers in the Bay Area are eligible for free tax help, just 2% take advantage of Earn It! Keep It! Save It!, the region's largest free tax assistance program. Instead, many of the Bay Area's neediest, hardworking families pay \$150-300 each year to commercial tax preparers.

To help low-wage taxpayers keep more of what they earn, United Way of the Bay Area (UWBA) today announced the sixth annual kick-off of Earn It! Keep It! Save It! (EKS) Bay Area, which provides free tax return preparation and asset-building information to Bay Area households that earned less than \$42,000 in 2007. In particular, the EKS campaign is trying to reach 69% of Earned Income Tax Credit (EITC)* recipients in the Bay Area who pay to have their taxes prepared, even though they are eligible to receive free tax assistance.

Low-wage Tax Filers Deserve More!

Based on the most recent IRS data available, for tax year 2005 (data breakouts by county on page 3):

- 932,996 Bay Area tax filers (households) earned less than \$37,263, qualifying them for free tax help from EKS.
- 19,784 Bay Area households (2% of those eligible) participated in EKS.
- 189,190 Bay Area tax filers claimed the EITC;
- 130,953 Bay Area EITC filers (69%) paid to have their taxes prepared.

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*Enacted in 1975, the federal "Earned Income Tax Credit (EITC)" is a refundable tax credit that reduces or eliminates the taxes that low-income working people pay -- such as payroll taxes -- and also frequently operates as a wage subsidy for low-income workers. In 2003, \$75 million in EITC went unclaimed by Bay Area taxpayers.

“Unfortunately, thousands of low-income taxpayers in our region are paying to have their taxes prepared, when they can receive free, expert assistance at one of more than 150 Earn It! Keep It! Save It! sites throughout the Bay Area,” said Carole Watson, Chief Community Investment Officer for United Way of the Bay Area, which leads the EKS coalition. “We’re urging these families to hold onto the money that they have worked so hard to earn by having their taxes done for free at our sites, where they can also connect with dozens of asset-building resources.”

“Low-income taxpayers can receive their refunds – every cent! -- in just about two weeks if they go to one of the Earn It! Keep It! Save It! sites, where their tax returns are transmitted electronically to the IRS using eFile,” added Watson.

WHAT	<ul style="list-style-type: none"> • FREE tax return preparation and e-filing • Assistance filing tax-credit claims (EITC, childcare credits and San Francisco’s Working Families Credit) • Asset-building information
WHO	<ul style="list-style-type: none"> • All Bay Area households that earned less than \$42,000 in 2007 are eligible for free tax preparation service and e-filing. (EITC eligibility depends on family income and size.)
WHERE & WHEN	<ul style="list-style-type: none"> • Earn It! Keep It! Save It! operates 159 sites in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Solano Counties. For times and locations, call 2-1-1 or 800-358-8832 or visit www.EarnItKeepItSaveIt.org.
WHAT TO BRING:	<ul style="list-style-type: none"> • Social Security cards for all family members (or ITIN for each working adult) • W-2 forms for all jobs • 1099 forms and other income forms • Bank routing and account numbers for checking and savings accounts • Childcare provider information • Previous year’s tax return if available • Name, address and phone number of landlord (if you have one)

Earn It! Keep It! Save It! Bay Area is celebrating its sixth year in 2008. In 2007, the coalition processed \$23.9 million in refunds for 22,962 hardworking families.

Note to Editors: Media are encouraged to visit tax preparation sites to talk with volunteers and program participants. To arrange a visit, please contact Maria Stokes, 415-808-4264, mstokes@uwba.org.

Only 2% of Bay Area's Poorest Taxpayers Took Advantage of Free Tax Help in 2005

	7-county total	Alameda	Contra Costa	Marin	Napa	San Francisco	San Mateo	Solano
Households that earned less than \$37,263 (EITC eligibility cap)	932,996	301,845	189,098	53,034	28,469	191,498	134,228	82,554
EKS participants (EKS eligibility = \$38K)	19,955 (2%)	5,916 (2%)	1,987 (1%)	785 (1.5%)	420 (1.5%)	8,423 (4%)	1,874 (1%)	550 (1%)

Source: IRS tax data for Tax Year 2005 (processed Jan. – Jun. 2006)

69% of Bay Area EITC claims were processed by paid preparers in 2005

	7-county total	Alameda	Contra Costa	Marin	Napa	San Francisco	San Mateo	Solano
EITC claims filed	189,190	66,838	36,302	5,810	4,723	37,743	22,040	19,734
EITC claims filed via paid preparers	130,953 (69%)	46,331 (69%)	25,216 (69%)	3,652 (63%)	3,002 (64%)	24,292 (64%)	15,284 (69%)	13,176 (67%)
EITC claims filed via free tax sites (VITA and TCE)	7,466 (4%)	2,430 (4%)	1,200 (3%)	250 (4%)	163 (3%)	2,391 (6%)	686 (3%)	346 (2%)
Self-prepared	54,355 (29%)	17,837 (27%)	9,843 (27%)	1,901 (33%)	1,544 (33%)	10,966 (29%)	6,059 (28%)	6,205 (31%)

Source: IRS tax data for Tax Year 2005 (processed Jan. – Jun. 2006)

About Earn It! Keep It! Save It! Bay Area

Led by United Way of the Bay Area, Earn It! Keep It! Save It! Bay Area coordinates 159 free tax preparation sites and asset development programs in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Solano Counties, with the participation of over 200 public and private-sector partners. Funding partners include Annie E. Casey Foundation, Bank of America, Chevron, City of Oakland, East Bay Community Foundation, Evelyn and Walter Haas, Jr. Fund, Firedoll Foundation, First 5 Alameda County, First Five Contra Costa, HSBC Bank USA, N. A., KPMG LLP, Levi Strauss Foundation, National Disability Institute, Port of Oakland, The San Francisco Foundation, State Street of California, Walter & Elise Haas Fund, Union Bank of California, United Way of the Bay Area, Wells Fargo & Company, Y&H Soda Foundation and others. For more information please visit www.EarnItKeepItSaveIt.org or call 415-808-4300.

About United Way of the Bay Area

United Way of the Bay Area (UWBA) is a nonprofit organization dedicated to community impact. Our mission is to be the catalyst that enables people to strengthen their communities by investing in one another. Through the Bay Area Community Fund, United Way supports more than 250 local programs that fight poverty and create opportunities for children, youth, families and neighborhoods to thrive. In San Francisco, 2-1-1 is an easy-to-remember phone number operated by UWBA that connects people in need -- as well as individuals seeking to give -- with community services. United Way's introduction of 2-1-1 in San Francisco is the first step in plans to promote and establish 2-1-1 service throughout the Bay Area. For more information, visit www.uwba.org.

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