

Success Story – June 2006
Plan #300 – Money for Life

SW Iowa Making Connections—Earned Income Tax Credit Campaign

Situation: A way to improve the long term financial stability and well being of lower income working families is to increase income by ensuring they claim the Earned Income Tax Credit (EITC) and Child Tax Credit.

Response: With financial assistance from the Annie E. Casey Foundation, the SW Iowa Making Connections program in cooperation with ISU Extension recruited and trained 16 individuals to be IRS Volunteer Income Tax Assistance (VITA) workers. Volunteers included a teacher and 3 students in a high school Advanced Accounting class and 3 returning trained volunteers. The volunteers provided free tax services at 8 sites throughout rural SW Iowa during January-April 2006. Returns were prepared using TaxWise software and e-filed. The tax services were marketed through local media, churches, financial institutions, and programs serving lower income families including HeadStart, WIC, etc. Appointments were scheduled through a toll-free phone number and confirmation letters were sent to participants.

Impact:

Over 250 taxpayers called to request tax appointments with 218 returns prepared; an increase over last year's 133 returns. The total EITC claimed was \$206,675 from 120 taxpayers resulting in an average EITC of \$1722. (Last year 74 taxpayers claimed \$104,708.) The Child Tax Credit was also claimed by 61 of the taxpayers totaling \$84,155. (Last year 33 taxpayers claimed \$43,686.) These credits were reflected in a total federal refund amount of \$384,123 received by 200 of the taxpayers. State refunds totaling \$30,903 were also received by 166 taxpayers. Direct deposit into a bank account was requested by 139 of the participants. Data by county:

County	# of returns	Child Tax Credit	EITC (Earned Income Tax Credit)	Federal Refund	State Refund
Cass	24	\$10,564.00	\$24,066.00	\$44,763.00	\$3,596.00
Fremont	7	\$0.00	\$8,397.00	\$9,281.00	\$772.00
Harrison	26	\$2,312.00	\$22,552.00	\$32,486.00	\$3,397.00
Mills	19	\$8,764.00	\$19,686.00	\$35,588.00	\$2,884.00
Montgomery	56	\$26,127.00	\$54,721.00	\$109,678.00	\$7,978.00
Page	40	\$15,573.00	\$36,275.00	\$70,171.00	\$5,057.00
Pottawattamie	8	\$4,000.00	\$8,469.00	\$13,841.00	\$577.00
Shelby	26	\$11,815.00	\$26,719.00	\$49,089.00	\$5,134.00
Taylor	3	\$3,000.00	\$4,445.00	\$12,698.00	\$475.00
Crawford	5	\$0.00	\$0.00	\$457.00	\$231.00
Monona	1	\$0.00	\$0.00	\$335.00	\$81.00
Other	3	\$2,000.00	\$1,345.00	\$5,736.00	\$721.00
TOTAL	218	\$84,155.00	\$206,675.00	\$384,123.00	\$30,903.00

Contact: Mary Beth Kaufman, ISU Extension, Family Resource Management Specialist
 906 6th Street Harlan, Iowa 51537 Phone: 712-755-3104 E-mail: mbkaufma@iastate.edu