



Reducing Child Poverty through the Child Tax Credit

NACo Webinar | April 6, 2021 | 3PM – 4 PM ET

NACo Webinar | Reducing Child Poverty through the Child Tax
Credit | April 6, 2021

Welcome and Introductions



Joy Bivens

**Deputy Administrator for Health and
Human Services**

Franklin County, Ohio



Franklin County
Board of Commissioners

**JOB & FAMILY
SERVICES**

Housekeeping

- ❑ Introduce yourself in the chat!
- ❑ Keep your eyes on the chat box for links to resources
- ❑ Use the Q&A box to ask questions or email questions@naco.org.
- ❑ The webinar is being recorded. The slide deck and recording will both be available on NACo's website after the event!

Agenda

Welcome and Introductions

Joy Bivens

Vice Chair, NACo Human Services and Education Subcommittee on Education, Children and Families; Deputy Administrator for Health and Human Services, Franklin County, Ohio

Changes to the Child Tax Credit under the American Rescue Plan

Elaine Maag

Principal Research Associate, Urban-Brookings Tax Policy Center

Exploring Community Partnerships

Rebecca Thompson

Director, Field Engagement & Tax Opportunity Network, Prosperity Now

County Model: “Tax Time”

Joy Bivens

Question and Answer

Submit questions via the Zoom “question” box or by emailing questions@naco.org

Changes to the Child Tax Credit under the American Rescue Plan



Elaine Maag

Principal Research Associate

Urban-Brookings Tax Policy Institute



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION

Understanding the Child Tax Credit

Recent *Temporary* Expansion

April 2021

Elaine Maag

Emaag@urban.org



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION

American Rescue Planned Changed the Child Tax Credit



- Changes to the calculation
 - Maximum credit increased
 - Eligible population increase by 1 year
 - Fully refundable
- Change to administration
 - Advance payment

Maximum credit increased

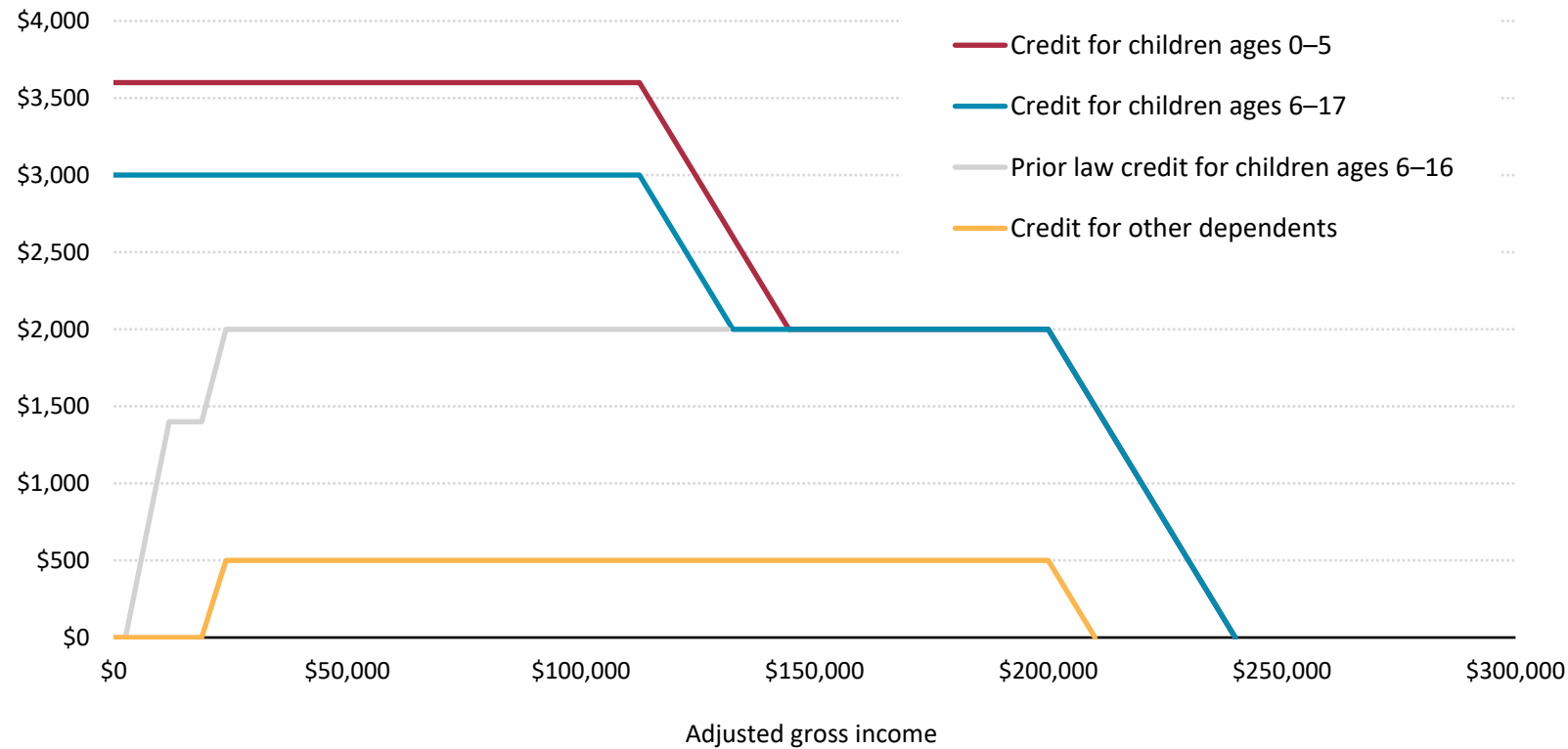


- Previously, the CTC was worth up to \$2,000 per child 16 and younger
- Now: Children under age 6: up to \$3,600; children ages 6 – 17: up to \$3,000.
- Previously, you needed to earn at least \$2,500 to benefit at all – maximum tax refund was \$1,400
- Now: full benefit to very low-income families – even those with no earnings!

Child Tax Credit 2020 and 2021



FIGURE 1
Child Tax Credit, Single Parent
For one child, tax year 2021

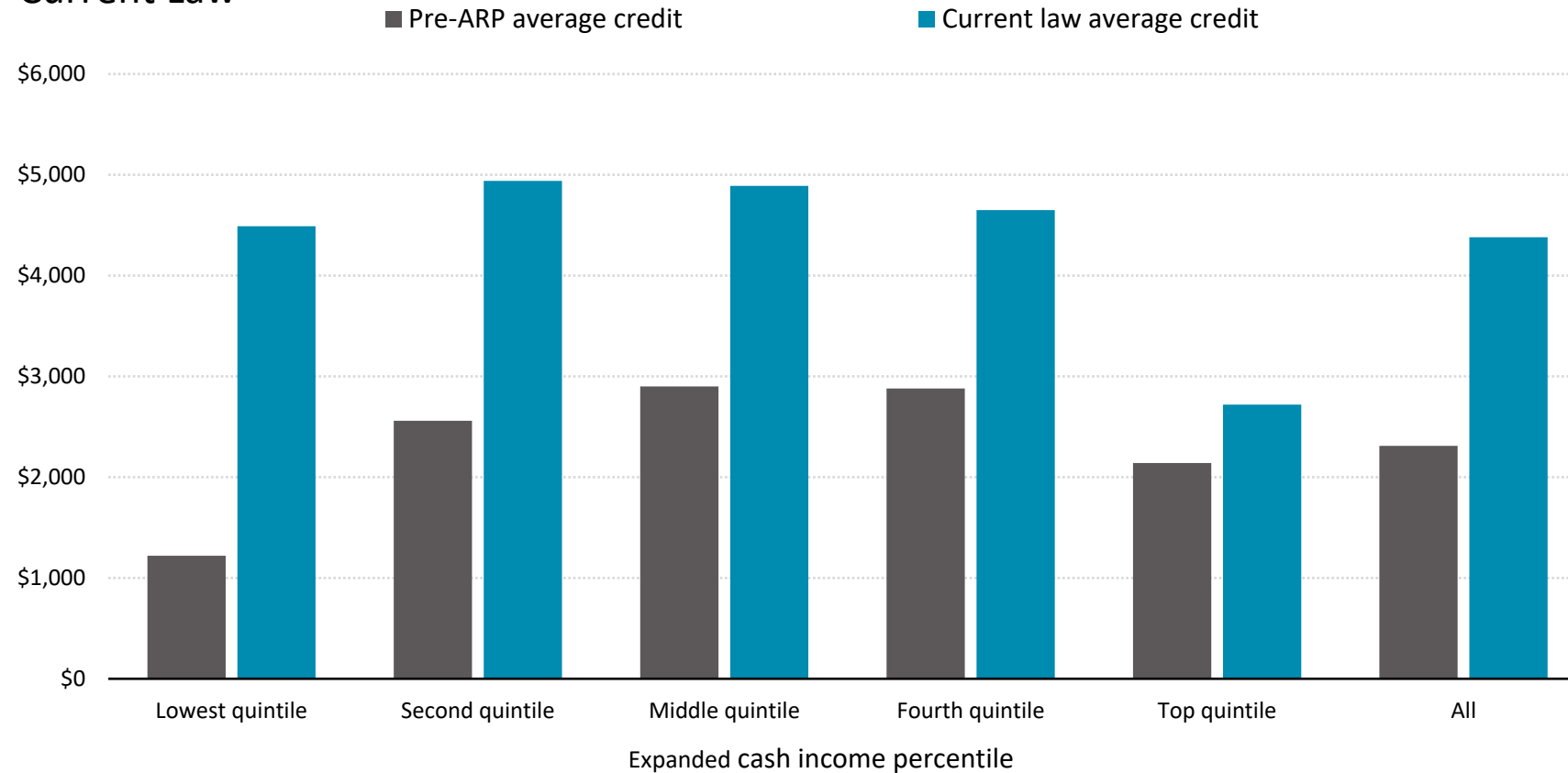


Source: Urban-Brookings Tax Policy Center calculations.

Notes: Assumes all income comes from earnings, and child meets all tests to be a CTC-qualifying dependent. \$3,000 and \$3,600 credits are fully refundable; prior law limited refunds to \$1,400 out of the maximum \$2,000 credit. Credit for married parents first phases out at \$150,000 of income until credit reaches pre-2021 level; begins second phase out at \$400,000 of income. Only citizen children qualify for the \$3,000 and \$3,600 credits for children under 18. Noncitizens under age 18 who meet the dependency tests of eligibility can qualify other dependent credit.

FIGURE 2

Average Benefits of Child Tax Credit for Tax Units with Children: Pre-ARP and Current Law



Source: Urban-Brookings Tax Policy Center. "TPC Microsimulation Model, version 0920-2."

- Typically, the CTC for low-income families is paid when tax returns are filed.
 - People are filing their 2020 tax returns now (in 2021)
 - Calculate how much credit they qualify for
 - Subtract that from taxes owed
 - Receive difference as refund (up to \$1,400 per child)
- Payments – for tax year 2021- will start as early as July

- File a 2020 tax return
 - Basis for receiving advanced credit
- Update information in IRS portal
 - Child moves
 - Child is born
 - Marital status change
 - Significant change in income
- Can elect not to receive payments!

- One household may contain multiple tax units
 - Multigenerational household
 - Cohabiting couples
- Annual determination
 - Could think about part-year benefits;
 - Reduce emphasis on tax programs
 - Reduce reliance on characteristics that IRS can't easily confirm

Exploring Commmuntiy Partnerships



Rebecca Thompson

**Director, Field Engagement & Tax
Opportunity Network**

Prosperity Now

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Reducing Child Poverty Through the Child Tax Credit

Exploring Community Partnerships

April 6, 2021

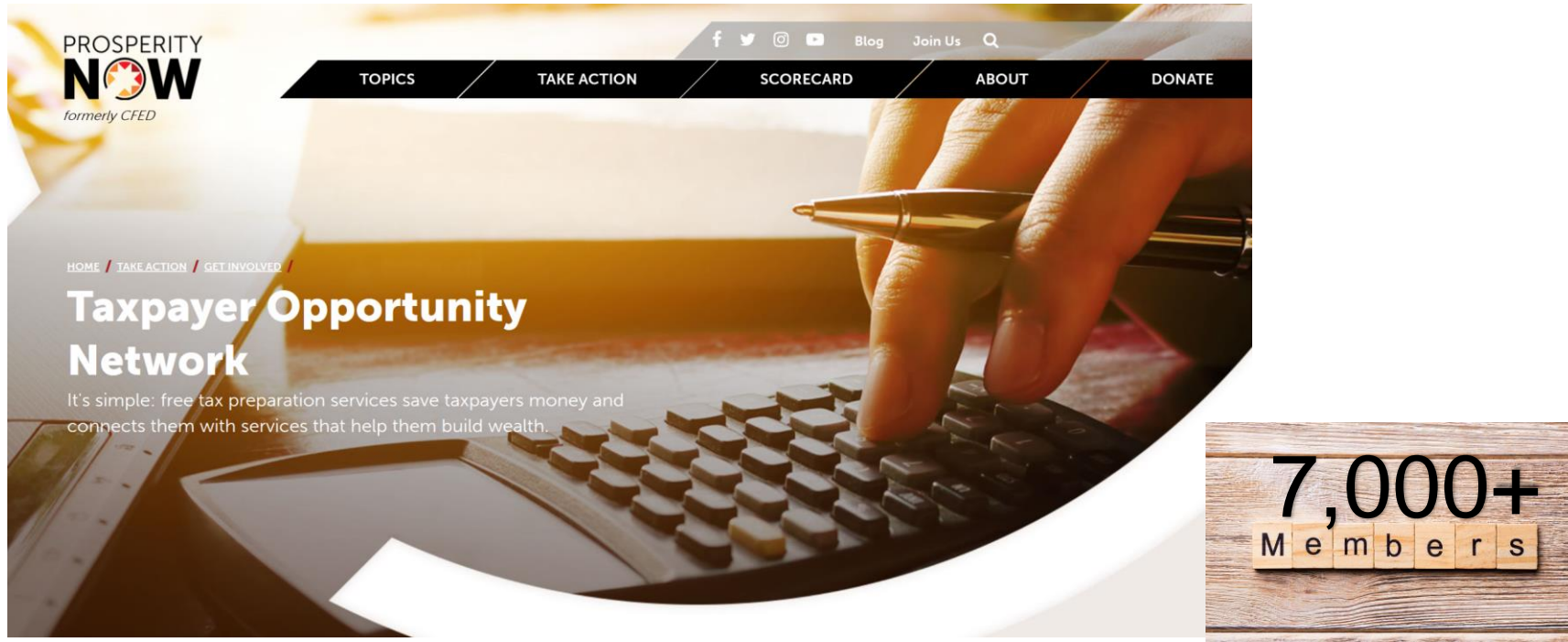


Who We Are

Prosperity Now's mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.

Taxpayer Opportunity Network

Taxes are a critical element of our country's economy and tax time represents a significant moment in the financial lives of low-and-moderate income households.



The Taxpayer Opportunity Network (TON) **connects, strengthens and inspires community tax programs** so they can effectively and efficiently **deliver critical tax assistance**, couple that assistance with **other financial capability services** and advocate for **fairer tax policy**.

The Results are in...

2020 Tax Season

1,053,941
Federal Returns
Accepted

\$1,757,561,317
Refunds

295,768
EITC Returns
(28%)

\$590,566,719
EITC Refunds

153,167
CTC Returns
(14.5%)

\$192,858,592
CTC Refunds

QSS Results
94.33%
Accuracy

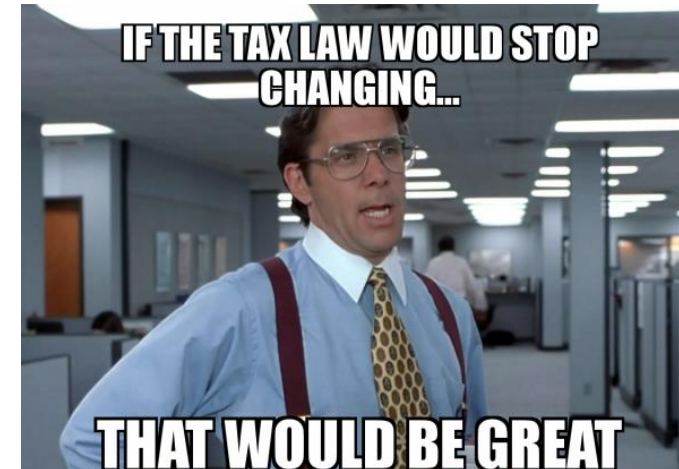
3,666 VITA Sites



**TaxSlayer Sites Only through Nov. 3, 2020*

2021 Tax Season

- 2,893 VITA Sites (21% decrease)
- Menu of Service Delivery Options
 - Virtual: GetYourRefund.org; other virtual processes implemented at the local level
 - DIY: MyFreeTaxes.com, IRS Free File
 - DIY with Coaching
 - Drop-Off
 - Limited in-person (by appointment)
- Special Considerations:
 - COVID-19
 - Prior Year Returns
 - Economic Impact Payment / Recovery Rebate Credit
 - EITC Lookback
 - Unemployment Compensation
 - Additional Premium Tax Credit




Opportunities for Engagement

- Low-Touch
 - Spread the Word
 - Volunteer Recruitment
 - Posters/Flyers/Website
 - EITC Awareness Day
- Medium-Touch
 - Make Room
 - Join the local/state VITA coalition
- High-Touch
 - Transform your space
 - Engage Staff as volunteers
 - Integrate EITC messaging into staff/client touch-points

PROSPERITY NOW
TAXPAYER OPPORTUNITY NETWORK


3 WAYS TO ENGAGE VITA!

The Volunteer Income Tax Assistance (VITA) program is a no-cost way for low to moderate income families to file their taxes at no-cost with IRS-certified volunteers. Due to the program's growth, we are looking to connect new partners with their local VITA programs. Learn how to get involved!



SPREAD THE WORD


Help raise awareness in your community about VITA services!



TRANSFORM

Turn your space into a VITA site!

For a few hours a week, you can help serve your neighbors with IRS-certified volunteers!



VOLUNTEERS NEEDED

Give back to your community or encourage others to volunteer with local VITA partner!

For more information: email
taxpayeropportunity@prosperitynow.org

PROSPERITY NOW
TAXPAYER OPPORTUNITY NETWORK

SPREAD THE WORD

Connect with your local VITA partner to obtain their marketing materials. Printed marketing materials may include posters, flyers, door hangers, etc. Many VITA partners also have electronic media, and social media messages.

After you connect with your local VITA partner:

1. Decide which and what type of marketing materials are best suited for your location
2. Ask about the location of the nearest VITA tax site to make it easy for your clients.
3. Inform all staff of the availability of VITA tax preparation services and the location of the nearest tax site.
4. Post the marketing materials throughout your location and share marketing materials at the meetings and interactions with clients and staff.

TRANSFORM

Do you have extra office space or an unused conference room? If so, your location may be a great opportunity to transform your office or service spaces into a standing (open throughout tax season) or ad-hoc (open a few days here and there) VITA site. Transforming available office space can be "transformational" for your clients, as offering free tax preparation on-site eliminates transportation barriers faced by many low-to-moderate income households and complements your existing suite of financial capability service offerings.

Here's what you'll need to transform your space into a VITA site for either a day or two, or for the duration of the tax season:

1. Available office space - enough for a minimum of two volunteer workstations with ample spacing for privacy
2. Tables, desk, chairs for volunteers and clients
3. Computer workstations and a printer are helpful (but may not be required if your VITA partner already offers mobile services)
4. Power and Internet access
5. A calendar of available dates and times for the space
6. Marketing materials (see "Spread the Word" above)

VITA partners are well-equipped to maximize available space and equipment to serve the community.

VOLUNTEERS NEEDED

Volunteers are always needed to serve in a variety of capacities to help with marketing, scheduling appointments, greeting taxpayers, preparing tax returns and managing tax sites.

Keep an eye out for potential volunteers and refer them to your local VITA partner for more information on how they can give back to their community through the VITA program.

No experience? None needed! VITA partners will train volunteer to meet the requirements and pass any certification tests necessary to volunteer with the program

The Taxpayer Opportunity Network team is available to coordinate an introduction to your local VITA provider if needed.

Now, Soon and Later

- Now:
 - Connect with local/state VITA program leads
 - <https://prosperitynow.org/map>
 - Collect Baseline Data
 - *Where is the needle in your county?*
 - *Who/where are the most vulnerable and underserved in your county?*
 - *What resources are available and needed to serve them?*
 - Choose Your Adventure
 - *What do you have the capacity to do for the remainder of the 2021 Filing Season?*
 - *What do you have the capacity to do in 2022?*
 - Define success for your community and your level of engagement
- Soon:
 - Develop and execute a strategy for the 2022 filing season
 - Look for additional ways to support and engage
- Later:
 - Data Collection, evaluation and planning for 2023



Additional Resources

- Check out your local community data: [Prosperity Now Scorecard](#)
- Key findings from interviews with VITA practitioners and with funders that support EITC and VITA programs: [Maximizing Partnerships: Collaborations that Strengthen the Impact of the EITC and VITA](#)
- Learn about the impact the pandemic is having on SNAP recipients: [FEB 2021 COVID Pulse Survey | Propel \(joinpropel.com\)](#)



Thank You!

County Model: “Tax Time”



Joy Bivens

**Deputy Administrator for Health and
Human Services**

Franklin County, Ohio



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Board of Commissioners

**JOB & FAMILY
SERVICES**

About Tax Time

- ❑ Coalition of nonprofit, business and government organizations providing free tax prep and other services to low-income county residents
- ❑ Combines United Way's VITA Program and AARP's Tax Counseling for the Elderly Program under one umbrella
- ❑ Receives dedicated funding from Franklin County Board of Commissioners



HAVE YOUR TAXES PREPARED FOR FREE

\$TaxTime
Free tax prep & financial resources

United Way of Central Ohio United Way

If you earned less than \$57,000 in 2020, visit TaxTimeCentralOhio.org or call 2-1-1 in mid-January for information on available services.

WHY FILE A TAX RETURN

- IRS might owe you money
- Protect against identity theft

TAX TIME'S HIGH-QUALITY SERVICES

- IRS-certified volunteers
- 98% accuracy rate
- Client-first services
- Free tax-related legal assistance

LEAD PARTNERS

AARP LSS 211 CENTRAL OHIO LASC

CHAMPIONS

IRS THE CITY OF COLUMBUS

SUSTAINER

Franklin County Board of Commissioners JOB & FAMILY SERVICES ADVOCATES NATIONWIDE CHILDREN'S United Way of Central Ohio United Way

CONTRIBUTORS

Park Huntington PNC FIFTH THIRD BANK The Harry C. Moores Foundation

*Support from the City of Columbus is provided by the Department of Development and the City Attorney's Office.
**Support from Franklin County is provided by the Board of Commissioners and administered through the Franklin County Department of Job and Family Services.

Impact



137,000 Central Ohio
residents served since
2006

\$147 million in tax
refunds

Estimated **\$28 million**
in tax preparation fees
saved

Outreach Strategies

- Earned media (TV, Radio)
- Community organizations – flyers, referral lists
- Participating in community facing meetings
- Social media
- Targeted Mailings



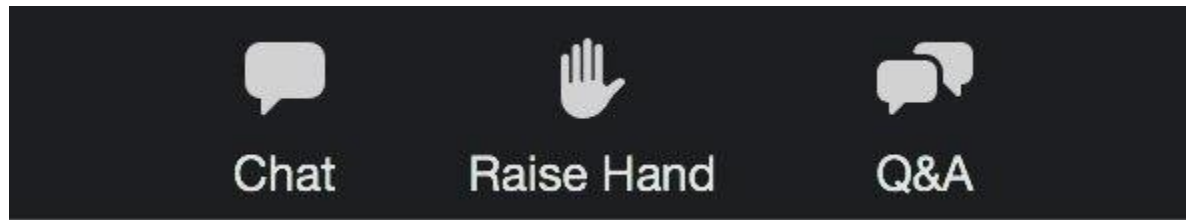
Adaptations during COVID

- Virtual platform
- IRS-certified volunteers prepare and submit electronically filed returns
- Residents can call 211 or visit www.TaxTimeCentralOhio.org



Questions

Ask your questions using the Zoom “Q&A” feature or by emailing questions@naco.org



NACo Staff Contact



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Thank you for joining!

