

# Montgomery County At a Glance

- Approximately 1 million residents, outside the nation's capital.
- Between 2010 and 2012, population increased by 32,932 residents—school enrollment increasing by 2,500 each year
- In 2010, the County became "majority-minority" county
  - 18.3% Latino
  - 17.5% African American
  - 14.4% Asian
- 150,000 residents are Limited English Proficient

# Montgomery County, Maryland

- In 2011, Forbes ranked Montgomery the 10th richest U.S. County, with a median household income of \$92,213
- Three out of five residents age 25 years+ had a Bachelor's or an advanced degree in (2012)
- 6.9% of the population (69,376 people) live below FPL; 18.3% of the population (184,759 people) live below 200% FPL
- In June 2014, 72,519 County residents participated in the Food Supplement Program (a five-year increase of 97.8%)

**High Cost of Living:** 2012 Self-Sufficiency Standard reported an income of **\$82,877** is needed for a family of 4 (2 parents, preschooler and school-age child) to meet “basic” needs without public/private resources

# Local EITC

## Montgomery County, Maryland

- Increase in lower income jobs
- Living Wage
- Working Families Income Supplement
- All MD counties allow “regular” EITC against local income taxes (50% of Federal EITC)
- Montgomery County matches MD “refundable” EITC
- Started: Tax Year 1998

# Local EITC

## Montgomery County, Maryland

- Maryland “refundable” EITC = 25% of Federal EITC above gross income tax
- Formula changed over time:
  - TY 1998 – 1999 - 10%
  - TY 2000 - 15%
  - TY 2001 – 2002 - 16 %
  - TY 2003 - 18%
  - TY 2004 – 2007 - 20%
  - TY 2008 – 2014 - 25%
- HB198 - Increased rate again to 25.5% (2015); 26% (2016); 27% (2017) and 28% (starting 2018).

***With each rate increase, more recipients become eligible + more money to each recipient.***

# Local EITC

## Montgomery County, Maryland

- Federal EITC amount increases translate into higher EITC and Refundable EITC for Maryland and Montgomery County recipients.
- Over the past 15 years, average annual increase over 2%
- Some Restrictions:
  - Investment income > \$3,350 , then not eligible for MD EITC
  - Income Tax Offsets: prior year income tax liability; child support delinquency; unpaid student tuition
- Fiscal/Budget Pressures during last recession: 100% match reduced in 2009 (72.5%); 2010 (68.9%); 2011 (75.4%); 2012 (85%); 2013 (90%), 2014 (95%).
- **Starting 2015 = 100% match**

# How Does the Program Work?

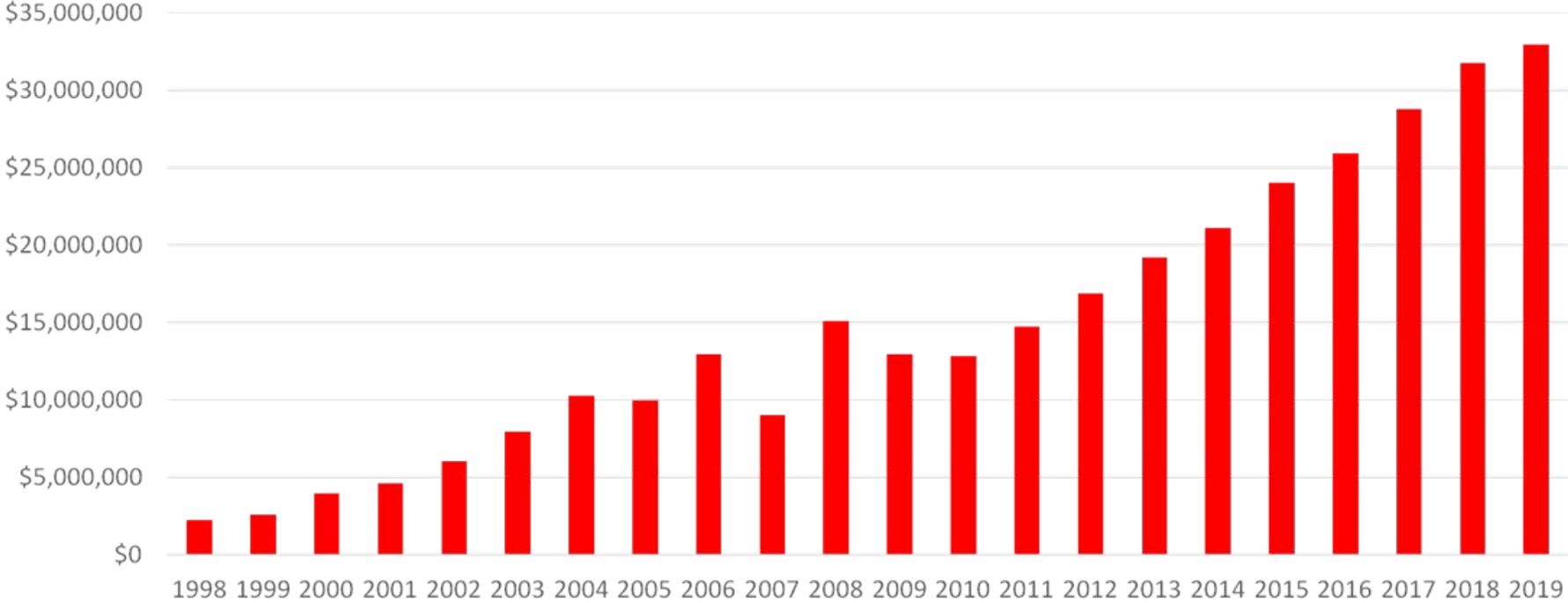
MD State Comptroller administers (IRS income tax confidentiality not extended to counties)

1. Comptroller checks all tax returns for County residents in July (97%), October (2%), January (1%) for prior tax year and bills the County
2. County makes payment to Comptroller
3. Comptroller mails checks

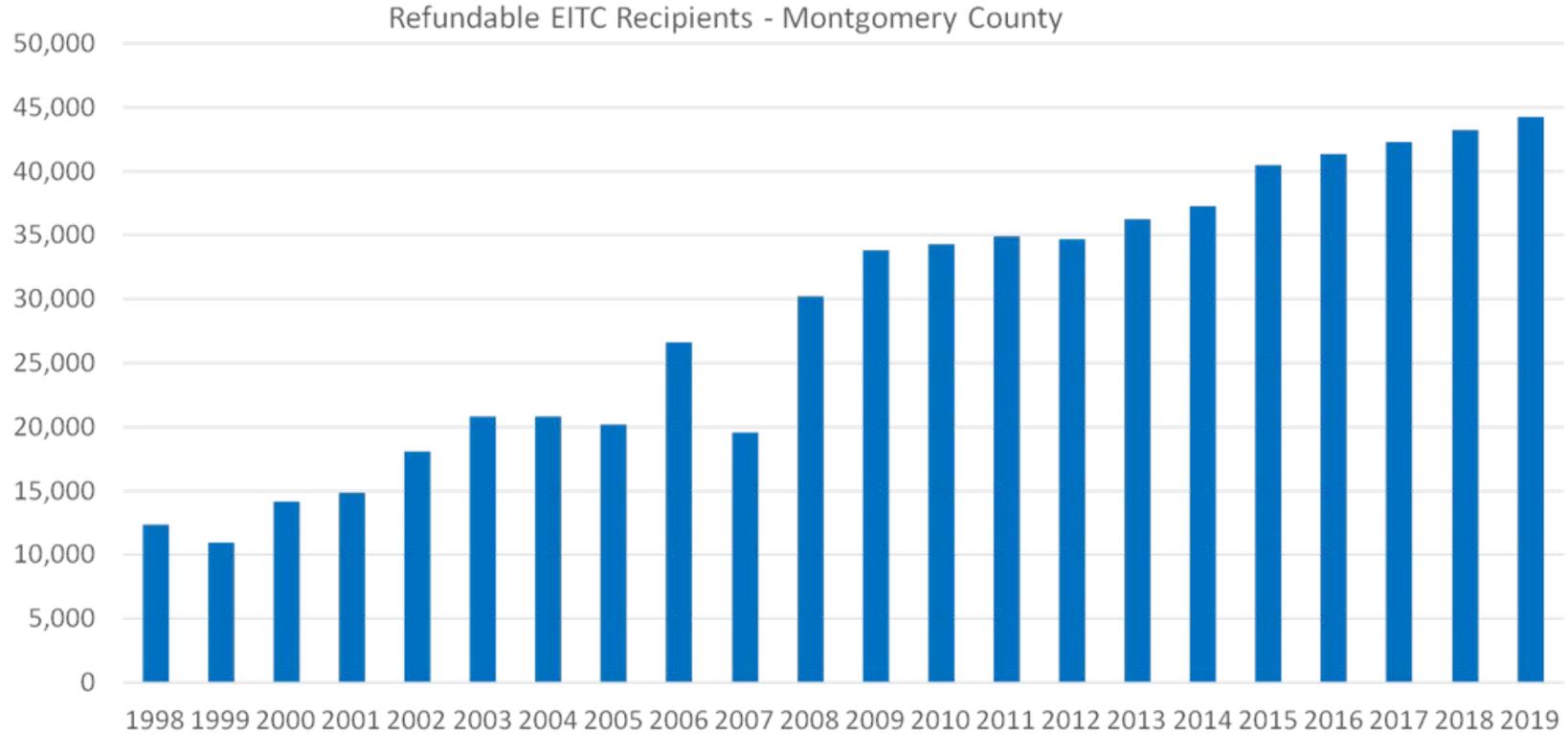
Benefits: efficient program, low cost (mostly postage), no application needed.

# Cost of the Program

Refundable EITC - Montgomery County

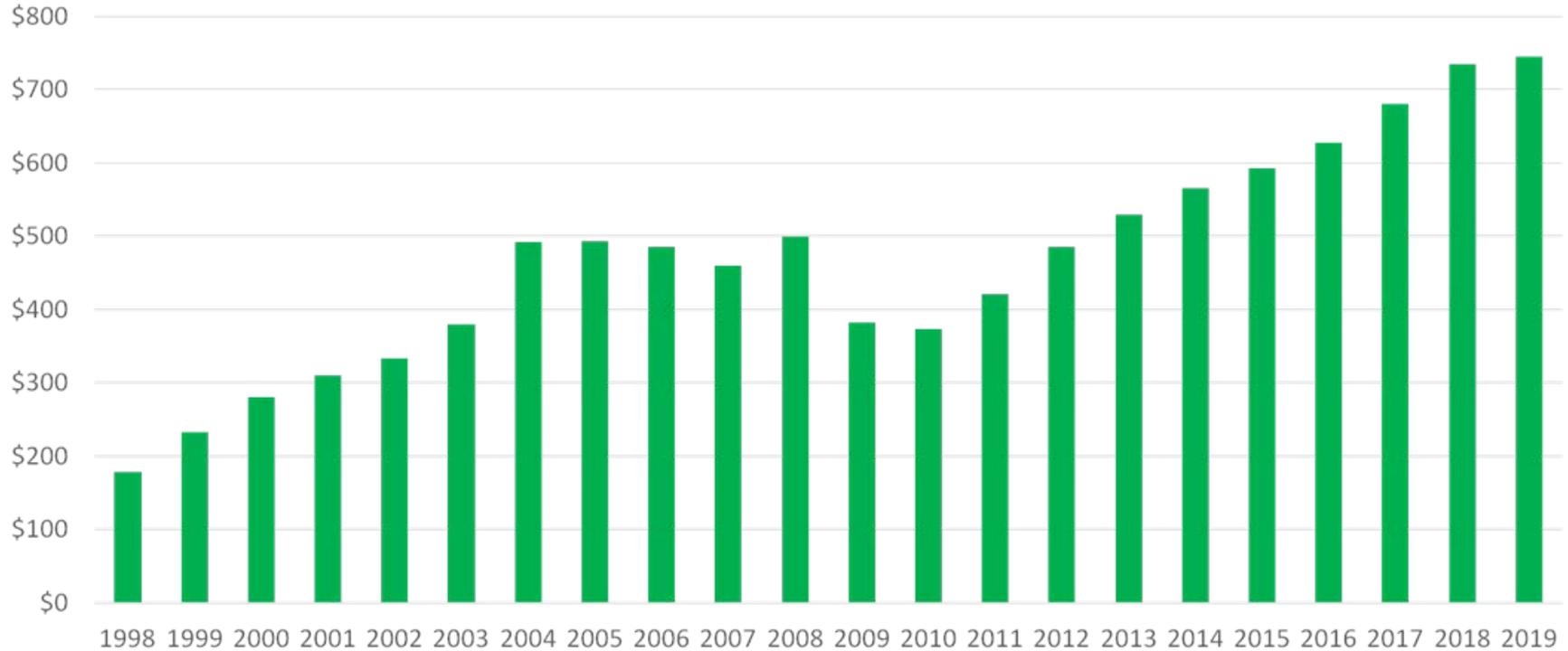


# How Many Recipients

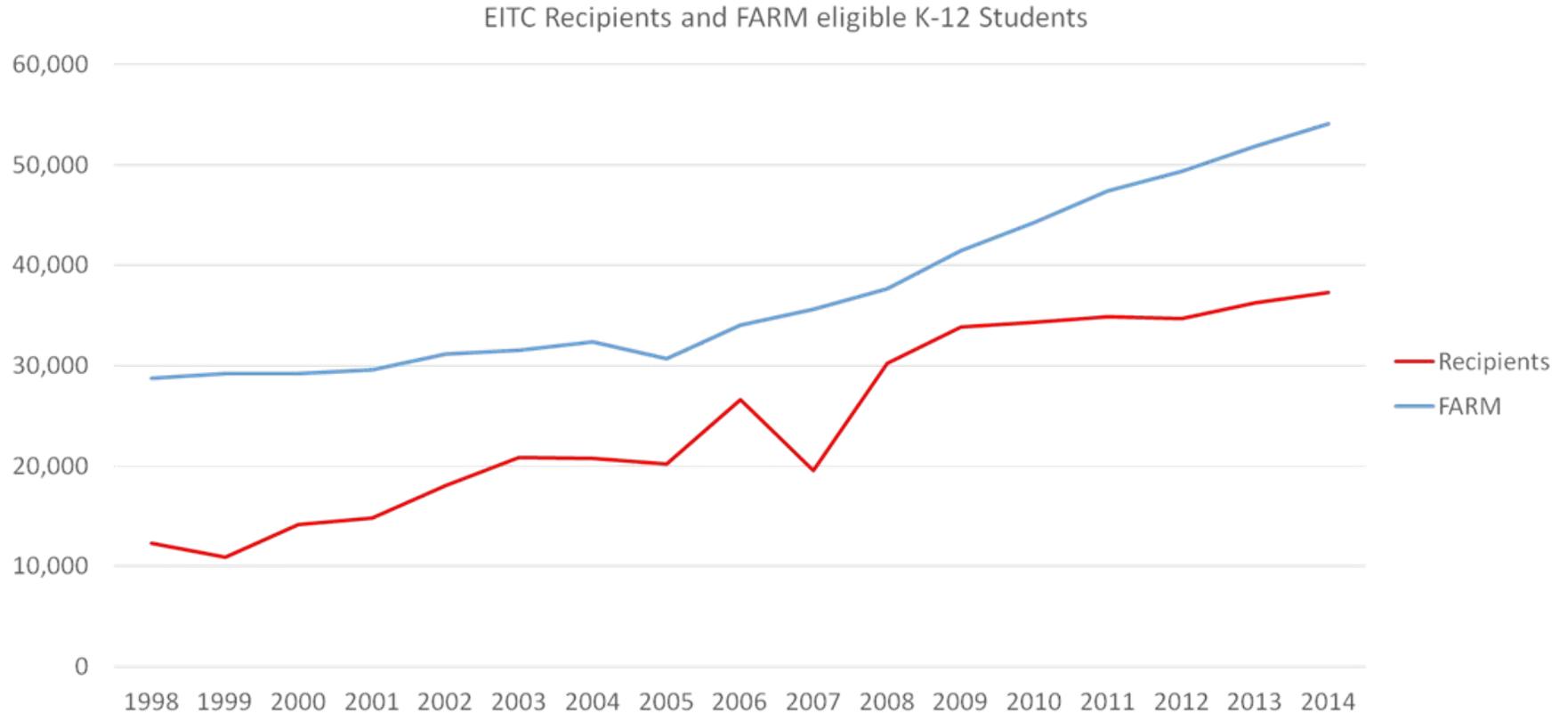


# Average EITC per Recipient

Average Credit - Montgomery County



# EITC Recipient vs Free/Reduced Meals Students



## Montgomery County, Maryland

## EITC-eligible population

TOTAL POP. IN EITC-ELIGIBLE UNITS

121,886

TOTAL CHILDREN IN EITC-ELIGIBLE UNITS

49,403

## EITC-eligible tax unit characteristics

FILING STATUS

20.6% Married filing jointly

48.6% Head of household

30.8% Single

MEDIAN ADJUSTED GROSS INCOME

\$12,595

SHARE RECEIVING FOOD STAMPS/SNAP

20.8%

## EITC-eligible tax filer characteristics

HIGHEST LEVEL OF EDUCATION

HIGH SCHOOL OR LESS 41.8%

SOME COLLEGE OR ASSOCIATE'S 29.8

BACHELOR'S OR HIGHER 28.4

TOP FIVE INDUSTRIES

RETAIL TRADE 18.8%

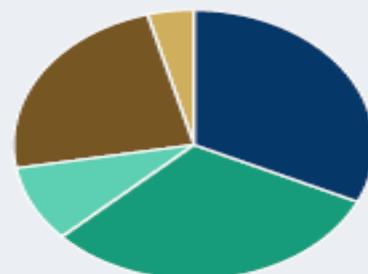
ACCOMODATION, FOOD SERVICES 12.7

HEALTH CARE 11.4

OTHER SERVICES 8.4

CONSTRUCTION 8.1

RACE AND ETHNICITY OF TAX FILER



White 32.0%

Black 31.2

Asian/Pacific Islander 9.2

Hispanic 23.6

Other 4.1

TOP THREE LANGUAGES SPOKEN

ENGLISH 46.8%

SPANISH 23.3

AMHARIC 5.7

TOP FIVE OCCUPATIONS

OFFICE AND ADMINISTRATIVE 16.8%

SALES 11.7

TRANSPORTATION &amp; MATERIAL MOVING 9.0

FOOD PREP. AND REL. SERVICE OCCUPATIONS 8.6

PERSONAL CARE 8.2

## NOTES AND SOURCES

Source: MetroTax model estimates based on 2010 American Community Survey microdata.

[See User Guide](#) for details



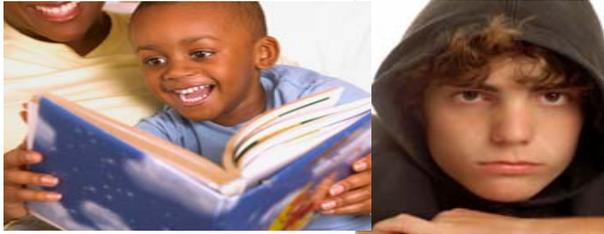
# Montgomery MD, DHHS Community Action Agency VITA Partnership



- Founded as part of the “War on Poverty.”
- Part of County government–  
DHHS Office of Community Affairs.
- 1 of 3 public Community Action Agencies in Maryland
- CAA services are based in our Wheaton office and at the “TESS” Center  
(Takoma/E. Silver Spring).
- Administer CSBG and Head Start grants, and 40+ county contracts to  
nonprofit “safety net” partners.
- Federal CSBG grant, training and activities supported by Maryland’s  
Dept. of Housing & Community Development, with Maryland Community  
Action Partnership.
- Funding for administration and direct services supplemented by  
Montgomery County.

# Montgomery MD, DHHS Community Action Agency

## Linkages with public services & community resources



Child Care, Head Start & Youth Services



Shelter & Utilities



Aging & Disability Supports



Health/Behavioral Health Care



Food & Basic Needs



Immigration



Victims Services



Banking



Legal



Identity Theft



Business Development



Adult & Financial Ed

# Montgomery MD, DHHS Community Action Agency VITA Partnership

- 30+ years of volunteer supported free tax help
- Expanded VITA during “ARRA” to 4 sites, integrating financial education, joining Maryland CASH Campaign and co-founding CAFÉ - Coalition for the Advancement of Financial Education, Montgomery MD
- Community Action Board (CAB) worked with advocates to prioritize increasing local and Maryland EITC and expanding VITA



# Montgomery MD, DHHS Community Action Agency

## VITA Partnership

The IRS

Maryland CASH Campaign

City of Rockville

City of Gaithersburg (Bank On) & Family Services, Inc.

U. of Maryland's Cooperative Extension School of Public Health

Head Start

Coalition for the Advancement of Financial Education, Montgomery MD

Spanish Catholic Center

Maryland Hunger Solutions



# Montgomery MD, DHHS Community Action Agency

## VITA Partnership



### Structure & Features:

- VITA Coordinator, Contractor & Community Fellow (student), partners and volunteers.
- Appointment system includes language preferences & accommodations– with email reminders.
- Year round: “back-taxes” and amended returns are prepared, June to November (Wheaton and Rockville); outreach to public and nonprofit agencies and their customers is a priority.
- Targets customers earning <\$53,000 a year.
- Services eligible for self-employed tax-payers.
- VITA coordinator is a Certified Acceptance Agent for taxpayers requiring an “ITIN”.

# Montgomery MD, DHHS Community Action Agency

## VITA Partnership

### Spotlight: Gaithersburg



Asset Building through:

- “Bank On”
- Financial education
- VITA
- US Savings Bonds
- Public benefits (i.e. SNAP, ACA)
- Community resources
- Small business development
- Ongoing education targeting consumers, providers and businesses

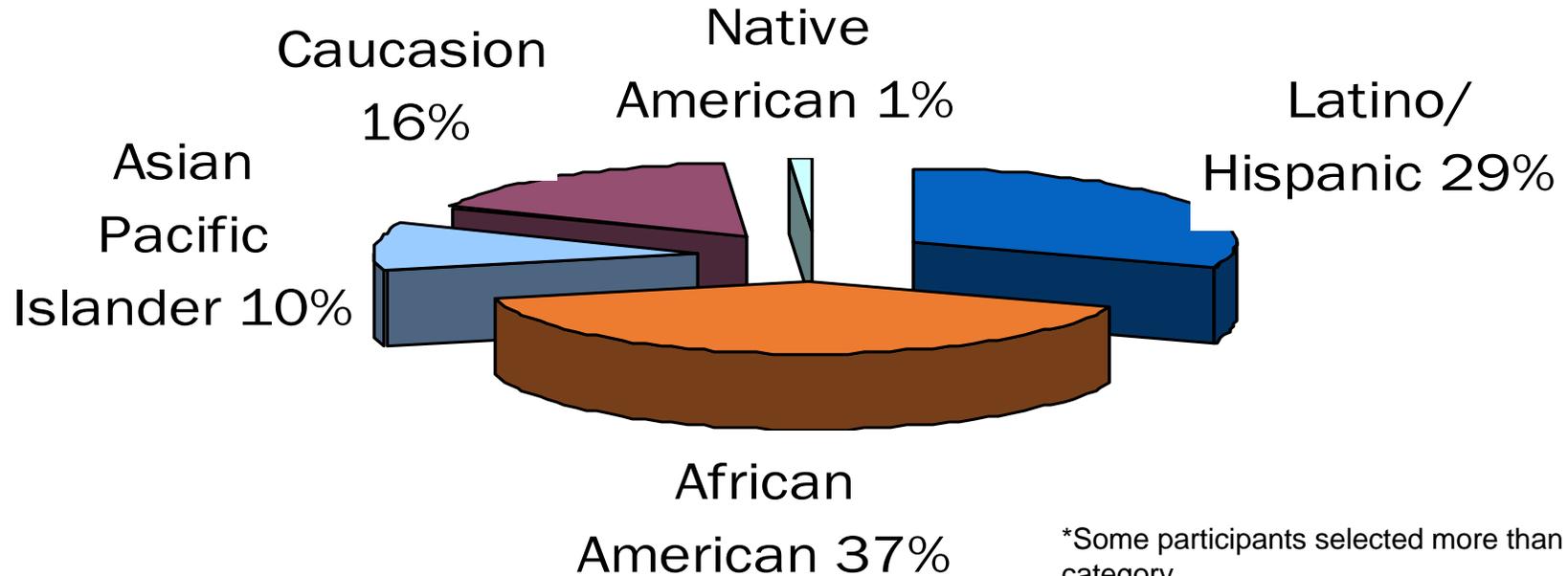
# Montgomery MD, DHHS Community Action Agency VITA Partnership

- ✓ 70+ volunteers provided 2,100+ hours of tax prep & support at multiple sites, including language interpretation.
- ✓ 2,073 filed returns, including 274 schedule C's or CEZ's.
- ✓ Taxpayers received \$4,089,093 in federal and state refunds and credits, including federal, state and County EITC.
- ✓ Taxpayers owed \$1,041,198 to state and federal government



# Montgomery MD, DHHS Community Action Agency VITA Partnership

Our Diverse Customers- Ethnicity:



\*Some participants selected more than one category.

# Montgomery MD, DHHS Community Action Agency VITA Partnership

## Our Diverse Customers- Languages Spoken:

- 45% Spanish
- 9% Chinese
- 5% French
- 3% Korean
- 3% Amharic
- 35% other languages

## Our Diverse Volunteers- Languages Spoken:

**68%** of our volunteers (and staff) are bilingual, speaking Spanish, French, Chinese, Japanese, Tagalog, Farsi, German, Amharic, Hindi, Italian, Korean, Russian and Yoruba.



# Montgomery MD, DHHS Community Action Agency

## VITA Partnership

### Growing a Coalition with Community-Based Free Tax Preparers:

#### Traditional Partners:

- ❖ AARP (Tax Counseling for the Elderly), Montgomery County Volunteer Center “RSVP”
- ❖ Wheaton Library- founded by IRS professionals
- ❖ Community Tax Aide- DC based, with services in suburbs

#### Emerging Partners:

- ❖ Chinese Culture and Community Service Center
- ❖ Spanish Catholic Center (Language interpretation)
- ❖ CASA de Maryland
- ❖ Ana Mendez University

Shared information (“311” Information Line); shared resources and training; marketing, cross referral of volunteers and customers.

# Your Money. You Earned It. Now Claim It!

If you made less than \$53,000\* in 2014 you may qualify for the **EITC & FREE** tax preparation. IRS certified volunteers from non-profit and public agencies will e-file your taxes and direct deposit your federal and state tax refund – it'll be in your bank account fast!



## Appointment only



### Community Action Agency

*By appointment.*  
Sites include Gaithersburg, Takoma Park/East Silver Spring, Rockville, & Wheaton  
Call: **240-777-1123**.  
Or self-schedule:  
<http://www.montgomerycountymd.gov/freetaxhelp>



### RSVP/AARP Tax Aide Program

*By appointment.*  
20+ sites throughout the county for low to moderate income families with **special attention to seniors**.  
Call: **240-777-2577**.  
Or self-schedule:  
[www.montgomeryserves.org/tax-aide](http://www.montgomeryserves.org/tax-aide)



### Chinese Culture & Community Center

*By appointment.* Gaithersburg.  
February 7<sup>th</sup> – April 11<sup>th</sup>  
Saturdays, 2:15PM – 5:30PM.  
Call: **301-820-7182**.



### CASA de Maryland

*By appointment.*  
For CASA members. Hyattsville.  
February 3<sup>rd</sup> – April 15<sup>th</sup>  
Tuesdays, Wednesdays & Thursdays 10AM – 1PM.  
Saturdays, 10AM – 2PM.



## Walk-in only



### Ana G. Mendez University

*Walk-ins.*  
11006 Veirs Mill Road, Wheaton.  
January 31<sup>st</sup> – April 11<sup>th</sup>  
Saturdays, 9AM – 5PM.



### Community Tax Aide

*Walk-ins.*  
*\*This site serves families earning \$53,000 or less, & individuals or couples earning \$35,000 or less per year.*

**Park Montgomery Apartments:**  
8860 Piney Branch Road, Silver Spring  
February 8<sup>th</sup> – April 12<sup>th</sup>  
Sundays, 1PM – 4PM.

**Rockville Library:**  
21 Maryland Avenue February 7<sup>th</sup> – April 11<sup>th</sup>  
Saturdays, 12PM – 3PM.



### Wheaton Library

*Walk-ins.*  
11701 Georgia Avenue.  
February 5<sup>th</sup> – April 9<sup>th</sup>  
Thursdays, 3PM – 8PM.



## What to Bring

Valid Government Issued Photo identification of filer(s) **no copies**.

Copy of **last year's tax return** (if you filed).

**Original Social Security cards, Social Security Number Verification letters, or ITIN** for everyone in your family: **no copies**.

**Birth dates** for every person claimed on your tax return. **ALL W-2, 1098, 1099** and documents to report income for ALL jobs worked in 2014. Total 2014 income of anyone you plan to claim as a **dependent** on your return. Statement of **annual child care expenses** in 2014 from the provider, with provider's name, address, and their tax ID number (Employer ID/Social Security #).

For **Direct Deposit**: blank check or proof of Bank Account, with routing numbers.

If you bought **health insurance through the Marketplace**, bring form **1095-A** to claim the credit on a Federal Tax Return or to reconcile advance credit payments.

**If filing jointly, both spouses must be present.**



## Where's my refund?

### For your federal refund:

Check with the IRS within 24 hours after you've e-filed or 4 weeks after filing a paper return.

<http://www.irs.gov/uac/IRS-Statement-on-Where's-My-Refund-Tool> **1-800-829-1040**.

### For your Maryland state refund, go to:

<http://taxes.marylandtaxes.com/IndividualTaxes/IndividualTaxTypes/IncomeTax/RefundInformation/default.shtml> **1-800-218-8160**.

## Free Filing Software

The IRS' Free File <http://freefile.irs.gov/> provides free federal tax prep and e-file for taxpayers with **incomes \$60,000** or below. For toll-free tax help, call **1-800-829-1040**



**Military VITA** at RSVP, Community Action and Wheaton Library: for active duty, vets and military families. See more Armed Forces Tax Council resources: <http://legalassistance.law.af.mil/content/locator.php>

Did you know the average **federal EITC** refund in Montgomery County is **\$2,142**? Montgomery residents receive even **MORE** in county and state EITC refunds when filing a Maryland return!



If you require accommodations to access Montgomery County Community Action Agency's VITA services, please provide at least three business days advance notice: 240-777-1123; 301-251-4850 (TTY); MD Relay 711.

# EITC and VITA Outreach



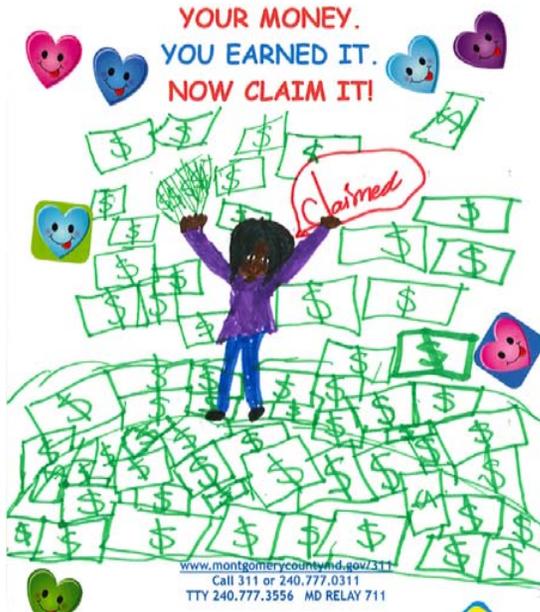
Need Free Tax Help?  
Find out if you qualify.



Call 311 to Get It Done



@311MC311 or [www.MC311.com](http://www.MC311.com)



## Are you a family child care provider?

**A: Family Child-care or  
Small Business Owner?**

**B: Self-Employed  
Individual?**

**C: Independent  
Contractor?**



## GET FREE TAX HELP

*with Schedule C & C-EZ!*

To qualify, you must:

- Earn less than \$53,000;
- Have up to \$25,000 in expenses;
- Use cash method of accounting;
- Have no inventory or employees;
- No net business losses, or losses within the tax year;
- No business use of home deduction, except for family day care.

**Community Action  
Agency's "V.I.T.A."  
Partnership**

*Volunteer Income Tax Assistance*

By appointment: call 240.777.1123

[www.montgomerycountymd.gov/freetaxhelp](http://www.montgomerycountymd.gov/freetaxhelp)



[www.montgomerycountymd.gov/311](http://www.montgomerycountymd.gov/311)



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# Montgomery MD, DHHS Community Action Agency

VITA Partnership

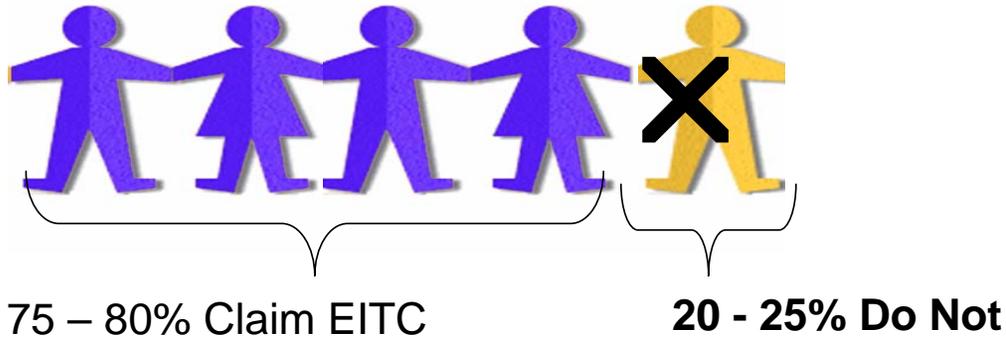
EITC OUTREACH

## EITC Filers (Federal)

### Montgomery County MD

**53,183** filed in Tax Year 2012

44,186 filed in Tax Year 2007



**6,653** returns, TY 12

*(filed by volunteers affiliated with free tax partners in Montgomery County)*



# Montgomery County, MD Department of Health and Human Services

## Community Action Agency VITA Partnership

