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

$0 $5,000,000 $10,000,000 $15,000,000 $20,000,000 $25,000,000 $30,000,000 $35,000,000

How Many Recipients

Refundable EITC Recipients - Montgomery County

[Bar chart showing the number of refundable EITC recipients in Montgomery County from 1998 to 2019.]
Average EITC per Recipient

Average Credit - Montgomery County


Credit Amounts: $0, $100, $200, $300, $400, $500, $600, $700, $800

Graph showing the increase in average EITC per recipient from 1998 to 2019.
EITC Recipient vs Free/Reduced Meals Students
### 2010 Profile of the EITC-Eligible Population

#### 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 filer characteristics

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<tbody>
<tr>
<td>High school or less</td>
<td>41.8%</td>
<td>40.2%</td>
<td>39.4%</td>
<td>39.0%</td>
<td>40.6%</td>
<td>41.0%</td>
<td>40.8%</td>
<td>41.2%</td>
<td>41.5%</td>
<td>41.6%</td>
<td>41.9%</td>
<td>42.0%</td>
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<td>Some college or associate's</td>
<td>29.8%</td>
<td>29.4%</td>
<td>28.5%</td>
<td>28.3%</td>
<td>28.9%</td>
<td>28.5%</td>
<td>27.9%</td>
<td>28.4%</td>
<td>28.7%</td>
<td>28.8%</td>
<td>28.9%</td>
<td>28.5%</td>
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</tr>
<tr>
<td>Bachelor's or higher</td>
<td>28.4%</td>
<td>28.3%</td>
<td>28.2%</td>
<td>28.4%</td>
<td>28.5%</td>
<td>28.3%</td>
<td>26.9%</td>
<td>27.2%</td>
<td>26.9%</td>
<td>26.4%</td>
<td>26.3%</td>
<td>27.1%</td>
<td>26.8%</td>
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#### Top three languages spoken

- English: 46.8%
- Spanish: 23.3%
- Amharic: 5.7%

#### Top five industries

- Retail trade: 18.8%
- Accommodation, food services: 12.7%
- Health care: 11.4%
- Other services: 8.4%
- Construction: 8.1%

#### Top five occupations

- Office and administrative: 16.8%
- Sales: 11.7%
- Transportation & material moving: 9.0%
- Food prep. and related service occupations: 8.6%
- Personal care: 8.2%

#### Race and ethnicity of tax filer

- White: 32.0%
- Black: 31.2%
- Asian/Pacific Islander: 9.2%
- Hispanic: 23.6%
- Other: 4.1%

**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

Health/Behavioral Health Care

Banking

Legal

Identity Theft

Business Development

Adult & Financial Ed

Shelter & Utilities

Food & Basic Needs

Immigration

Victims Services

Aging & Disability Supports
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
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
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:

- African American: 37%
- Latino/Hispanic: 29%
- Caucasian: 16%
- Native American: 1%
- Asian Pacific Islander: 10%

*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 $3,000 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/Elseider Spring, Rockville, & Wheaton
  - Call: 240-777-1123
  - Or self-schedule: [https://www.montgomerycountymd.gov/free-tax-help](https://www.montgomerycountymd.gov/free-tax-help)

- **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.montgomeryavens.org/tax-aide](http://www.montgomeryavens.org/tax-aide)

- **Chinese Culture & Community Center**
  - By appointment. Gaithersburg.
  - February 7th & April 18th
  - Saturdays: 2-15PM – 5:30PM.
  - Call: 301-920-7182.

- **CASA de Maryland**
  - By appointment.
  - For CASA members. Hyattsville.
  - February 3rd – April 18th
  - Tuesdays, Wednesdays & Thursdays 10AM – 1PM.
  - Saturdays, 10AM – 2PM.

### Walk-in only

- **Ana G. Mendez University**
  - Walk-in.
  - 3105 Veirs Mill Road, Wheaton.
  - January 31st – April 11th
  - Saturdays, 9AM – 5PM.

- **Community Tax Aide**
  - Walk-in.
  - This site serves families earning $33,000 or less, & individuals or couples earning $35,000 or less per year.

- **Park Montgomery Apartments**
  - 8960 Pinney Branch Road, Silver Spring
  - February 8th – April 12th
  - Tuesdays, 1PM – 4PM.

- **Rockville Library**
  - Walk-in.
  - 21 Maryland Avenue, February 7th – April 11th
  - Saturdays, 12PM – 3PM.

- **Wheaton Library**
  - Walk-in.
  - 17101 Georgia Avenue, February 5th – April 9th
  - Thursdays, 3PM – 6PM.

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**What to Bring**

- Valid Government-Issued Photo Identification of filer(s). *
- 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, 1099, 1099-R, 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.

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**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.

For your Maryland state refund, go to:

**Free Filing Software**


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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.mil/](http://legalassistance.mil/)

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; 301-251-6856 (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

GET FREE TAX HELP with Schedule C & C-EZ!

Are you a family child care provider?

A: Family Child-care or Small Business Owner?

B: Self-Employed Individual?

C: Independent Contractor?

Community Action Agency’s “V.I.T.A.” Partnership
Volunteer Income Tax Assistance
By appointment: call 240.777.1123 www.montgomerycountymd.gov/freetaxhelp

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.

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.
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

75 – 80% Claim EITC  20 - 25% Do Not

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