

FACT SHEET

February 2009

**REQUEST: \$100,000 base budget
and non-lapsing funds for 2009**

Making Work Pay: EITC/VITA Outreach

The Earn It. Keep It. Save It. Campaign is a public-private partnership working to improve the financial stability of Utah families through use of the federal Earned Income Tax Credit (EITC) and free tax preparation programs including Volunteer Income Tax Assistance (VITA). In 2007, the Legislature recognized the importance of this program and its effect on working Utah families and our economy and again appropriated \$100,000 to VITA. Last year the Legislature appropriated \$157,000 to support this effort. These investments have contributed to over \$32 million in tax refunds for working Utahns.

KEY FACTS

More than 600,000 Utahns live in households with incomes below 200% of the Federal Poverty Level (\$40,000 for a family of 4). With rising housing, health care, energy and other costs, these families struggle to make ends meet.

Estimates suggest that as many as 40,000 households qualify for the EITC but do not claim it, either because they are not aware of it, they do not file a federal return, or they lack the language or literacy skills to complete the necessary forms. If these families were to claim the EITC, it could bring an additional \$60- \$80 million into our economy – money that otherwise gets left unclaimed each year.

According to an economic impact study performed by Bonneville Research, with each increase of 10,000 households utilizing this tax credit, as much as \$63 million is generated in additional statewide activity.

Initiative Impact & Results

An investment of just over \$500,000 over the past four years to EITC outreach and VITA efforts has yielded \$14.5 million in total tax credits returned to our state.

As a result of last year's appropriation and coordinated EITC campaign, the following results were achieved:

1. 656 volunteers were trained to prepare taxes.
2. \$14.5 million in EITC and total tax credits were distributed.
3. \$1.3 million dollars in tax preparation fees were saved by working individuals and families who took advantage of free tax preparation sites.
4. Over 50 free tax preparation sites have been set up across the state.

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