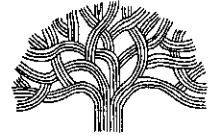


# CITY OF OAKLAND



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TO: Oakland City Councilmembers  
FROM: Councilmember Nancy Nadel, District 3  
DATE: October 3, 2006  
RE: A Presentation From The City of Oakland's 2006 Earned Income Tax Credit (EITC) Campaign

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## *Success of the City of Oakland's 2006 Earned Income Tax Credit Campaign*

In 2006, low-income families within the City of Oakland received over \$4.4 million back into their hands as a result of the City of Oakland's 2006 Earned Income Tax Credit (EITC) Campaign entitled **Earn It! Keep It! Save It!**

Unfortunately, many low-income individuals who do file for the EITC reduce their benefits by using costly commercial tax preparers. According to the California Reinvestment Coalition, 70% of EITC recipients in the Bay Area use commercial preparers who charge in excess of \$100 to prepare and file the tax forms necessary to claim the EITC. Many EITC recipients do not have bank accounts and use high cost Refund Anticipation Loans (RALs), checking cashing services, and other "predatory lenders" to receive their tax return payments. A full 50% of RAL recipients are EITC filers. This high cost for services drastically reduces the amount of money low-income families have to build financial stability and become economically self-sufficient.

For 2006, the City of Oakland Community Action Partnership (OCAP), in partnership with the Alameda County Earned Income Tax Credit (EITC) Campaign, supported 12 FREE Community Based Volunteer Income Tax Assistance Sites (VITA) throughout the City of Oakland staffed by 155 volunteer tax preparers. As a result, 2,878 tax filers received FREE services capturing approximately \$2.8 million in federal refunds, \$225,364 in state refunds, and \$1.4 million in EITC funds – with an average refund of about \$1,630 per family. The Campaign was also able to prescreen 81 families for food stamps, sign up 15 families to receive financial education training, and open 209 bank accounts.

The following community partners were responsible for operating the 12 VITA sites that were located throughout Oakland's low-income communities: Alameda County Social Services Agency, North Oakland; People's Community Partnership Credit Union (PCPFCU); Acorn Center – Oakland; Catholic Charities of the East Bay, Oakland Family Services center; West Oakland Acorn - Computer Center; Unity Council (Supersite); Lincoln Recreation Center (Tax Aid) (Cooperating Site); Lao Family Services; East Bay Asian Local Development Corporation (EBALDC); San Antonio Community Development Corporation; Eastmont Self Sufficiency Center, Alameda County Social Services Agency; and Allen Temple Baptist Church. The following chart highlights the success of the campaigns since its inception in 2002:

Type of Return	2005 Taxes	2004 Taxes	2003 Taxes	2002 Taxes
Oakland Federal Total	\$2,782,358	\$ 2,699,718	\$ 1,970,528	\$ 1,361,792
Oakland State Total	\$225,364	\$ 166,399	\$ 202,129	NA
Oakland EITC Total	\$ 1,399,261	\$ 1,318,967	\$1,126,164	\$ 842,502

For over 3 years the City of Oakland's Community Action Partnership has been committed to supporting and promoting the availability of FREE Volunteer Income Tax Assistance Sites for potential EITC recipients because it is not only a good investment in helping to stimulate a families bottom line, but the local economy as well.

**Earn It! Keep It! Save It!**