

County of Los Angeles

DEPARTMENT OF PUBLIC SOCIAL SERVICES

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June 5, 2006

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: **2006 TAX SEASON DPSS VOLUNTEER INCOME TAX ASSISTANCE (VITA) PROJECT**

This is to provide your Board the results of the free tax preparation services provided by DPSS staff during the 2006 tax season to CalWORKs participants with reported earnings. VITA services were available at ten sites in DPSS and contracted GAIN regional offices throughout Los Angeles County. All CalWORKs participants with earnings were mailed an invitational flyer and asked to call a toll-free number to schedule an appointment through our Central Helpline. Tax returns were prepared by DPSS GAIN staff and contracted case managers who were specially-trained by the Internal Revenue Service.

Most of the financial benefits to our participants came from claiming tax credits such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC). Highlights of the project were:

- 1100 families were served at DPSS VITA sites.
- 838 families filed tax returns electronically (efile).
- \$2,027 was the average tax refund per family.
- \$2.2 million was claimed in State and Federal tax refunds.
- \$1.5 million was attributed to claiming the EITC.
- \$92,000 was attributed to the CTC.
- \$105,000 was the total amount spent on staff overtime for preparation of the tax returns.
- \$20.27 in total tax refunds for CalWORKs participants was the return on investment for each dollar spent on staff overtime.
- \$14.40 in EITC credits was the return on investment for each dollar spent on staff overtime.

Based on this success, free tax preparation services will be an ongoing component of our CalWORKs program.

BY:mal

c: Children's Planning Council