

MOTION BY SUPERVISOR HOLLY J. MITCHELL

January 25, 2022

Earned Income Tax Credit Awareness Week

The Earned Income Tax Credit (EITC) is widely recognized as one of the nation's most powerful resources for lifting low-income people out of poverty. The EITC provides a refundable cashback credit to low-income working individuals and families when they prepare and file their tax returns. For eligible filers, EITC delivers a much-needed income boost to help meet basic needs and strengthen their economic security.

In 2015, California established the CalEITC extending a cashback credit to the poorest working families in the State. Furthermore, in 2019, California introduced the Young Child Tax Credit to provide an additional \$1,000 to qualifying families with children under the age of six. Collectively, these credits can put thousands of extra dollars into the hands of vulnerable families, however, every year eligible Californians fail to claim EITC and other credits delivered through the tax system. The forgone economic benefits result in lost opportunities to improve the economic security of low- to moderate-income Californians, business sales, job growth, wages, labor income, and tax revenue for state, county, and city governments. Of all the counties in California, Los Angeles County has the highest percentage of residents who miss out on these credits.

The Department of Consumer and Business Affairs Center for Financial Empowerment has recently been awarded nearly \$1MM by the State to support the

expansion of free tax filing services to increase the tax credit claims in eight high need areas.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Declare January 28 – February 4, 2022 as “Earned Income Tax Credit Awareness Week.”
2. Instruct the Director of the Department of Consumer and Business Affairs (DCBA) to accept the State funding to expand services in the eight high-need areas, implement a robust marketing and outreach campaign in culturally appropriate languages to ensure residents are aware of the services, and target immigrant tax filers that may need support acquiring an individual tax identification number.
3. Direct all Department Directors to encourage their staff to become certified tax preparers and encourage these certified tax preparers to volunteer during the 2022 tax season.
4. Direct DCBA to make all data related to the Center for Financial Empowerment’s Volunteer Income Tax Assistance (VITA) program available on a publicly accessible dashboard, with data to include the number of individuals served, aggregate demographic information, and geographic location and concentration of VITA recipients.

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LOS ANGELES COUNTY EITC AWARENESS WEEK

WHEREAS, the California Earned Income Tax Credit (CalEITC) is a refundable tax credit modeled after the Federal EITC to boost income for Californians who are paid low wages;

WHEREAS, state EITCs such as the CalEITC builds on the success of the federal credit by helping individuals and families reduce poverty, afford basic living expenses and increase savings;

WHEREAS, in 2019, California expanded CalEITC eligibility and established the Young Child Tax Credit for CalEITC-eligible families with children under the age of 6 to further invest in improving the financial stability of families;

WHEREAS, hundreds of thousands of qualifying Californians do not claim these credits; most of whom reside in Los Angeles County (County); leaving over \$1 billion dollars on the table;

WHEREAS, People of Color and immigrants are overrepresented in low-wage work and most likely to miss out on these vital credits;

WHEREAS, the pandemic has further diminished the financial health of Black, Indigenous and People of Color in the County who were already vulnerable pre-pandemic;

WHEREAS, the Board of Supervisors established the Center for Financial Empowerment (CFE) within the Department of Consumer and Business Affairs to address poverty and improve the financial health of low-moderate income County residents;

WHEREAS, the Board of Supervisors have allocated funding to the CFE to increase access to free income tax preparation services to help more qualifying individuals and families take advantage of these credits;

WHEREAS, Governor Newsom has declared January 28, 2022 through February 4, 2022 as CalEITC Awareness Week to promote outreach and bring heightened awareness to this issue;

WHEREAS, research shows that the EITCs have long-term benefits that include improved child and maternal health and the advancement of equity;

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS declare the week of the January 28th as Los Angeles County as EITC Awareness Week and call upon all County departments that engage with eligible residents to share this important information with their clients.

1/25/2022

Date



Chair, Board of Supervisors

