



Sharon Strauss
Executive Director

The mission of the Montgomery County Community Action Agency is to advance social and economic mobility among communities and neighbors through services, partnerships, and advocacy using an equity lens

Montgomery County Community Action Agency

Overview: Small staff, highly engaged, WIOA partner

- **Partners:** (Contracts): 50+ local non-profit: Legal, Social Services, Emergency Food, Utilities, and Clothing; Employment & Training, Youth Development and Community Engagement.
- **“TESS”** Takoma East Silver Spring Community Action Center:
 - 750+ per month; Virtual + on-site emergency assistance.
 - 2Gen/Whole Family model
- **Head Start:** CAA is the grantee, working with School Health and Early Childhood ECS. MCPS is the Delegate. Openings NOW and 21-22 SY.
- **VITA:** Volunteer Income Tax Assistance, EITC and taxpayer education
 - Free tax help, “VIRTUAL VITA”
- **Community Action Board:** Governance for CAA and Head Start
 - Active, independent advocacy with low-income people. Community Needs Assessment, Faces of Poverty, Self-Sufficiency Standard



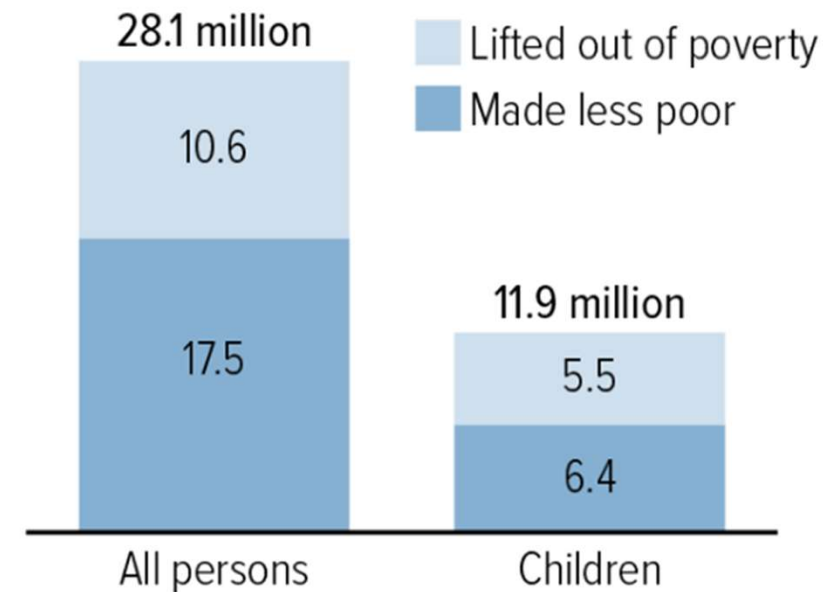
Community Advocacy Institute

Earned Income Tax Credit & Child Tax Credit

- Together they have lifted more children above the poverty line, 5.5 million, than any other economic support program.
- The American Rescue Plan Act, increased the Child Tax Credit, lifting another 4.1 million children above the poverty line, cutting the number of children in poverty by more than 40%!

Powerful Anti-Poverty Impact

Millions of people lifted out of poverty or made less poor by EITC and Child Tax Credit, 2018



Earned Income Tax Credit & Child Tax Credit

- Extensive research indicates that the EITC and CTC are two of the best tools available to not only lift people out of poverty, but also reduce health disparities and improve educational outcomes for children.
- Linked to increased birthweights, with larger impacts for births to African American women, to improved maternal health, and to decreases in children entering foster care.
- Research has shown its greater impact on reducing poverty for households of color.

Federal Earned Income Tax Credit Expansions

**The changes are only for tax year 2021.*

Changes for Single Filers unable to claim Dependents:	2020	2021
Minimum and Maximum Age	Min: 25 Max: 65	Min: 19 Max: None
Maximum Credit	\$538	\$1,502
Phaseout Percentage Increase	7.65%	15.3%
Minimum Income for Maximum Credit	\$7,030	\$9,820
Ending Income	\$15,820	\$21,427
Disqualified Investment Income	\$3,650	\$10,000

Federal Child Tax Credit Expansions

- Before, the child tax credit was \$2,000 per child. Under this new law, the credit increases to \$3,000 per child (\$3,600 for children under 6 as of the end of this year).
- The new law includes any child who hasn't turned 18 by the end of this year.
- The credit includes a \$500 total payment for dependents who are 18, and full-time college students 19-24 years old.
- The credit phases out at \$75,000 for singles, \$150,000 for joint filers, and \$112,500 for heads of households.
- Any money not paid through Advance Child Tax Credit payments by Dec. 31, 2021 can be taken as a credit on 2021 tax returns.

Maryland Relief Act Updates

MAJOR expansions of the state EITC for tax years 2020 through 2022.

- Increased the refundable portion of Maryland's EITC for tax returns including dependents to 45% of the federal credit, up from 28%. This is expected to increase the average credit to about \$1,100, affecting about 45,000 Montgomery households.
- Increased the refundable portion of the EITC for filers not claiming dependents to 100%, or a max of \$530. This increases the average benefit from about \$75 to \$375, affecting about 21,000 Montgomery residents.
- A second bill expanded the EITC to include all immigrant taxpayers filing with ITINs. About 5,300 Montgomery households pay taxes using an ITIN and meet EITC income and eligibility.

Maryland Child Tax Credit

The Maryland CTC was established through legislation in 2021. The tax credit will expire in tax year 2022.

Amount

- \$500 for each dependent

Eligibility

- Taxpayer must make under \$6,000
- Children under 17 AND
- Has as a disability

**The credit is reduced by the amount of any federal CTC claimed for the child in the year*



- How do you qualify for the Child Tax Credit?
- be **under age 19**, or under age 24 and a full-time student for at least five months of the year; or be permanently disabled, regardless of age; have lived with you for more than half the year; and. have provided no more than half his or her own support for the year.

Montgomery's Working Families Income Supplement:

- 100% match to the Maryland EITC. Like Maryland's EITC, available to taxpayers filing with ITINs.
- Received through a separate payment, mailed later in the year, after the Maryland refund is issued.



NEW!

ITIN Filers CAN Claim MD EITC and Montgomery's WFIS



ITIN (*taxpayers with Individual Tax Identification Numbers*) filers can't claim the Federal EITC, but **through ARPA, they can claim the CTC or the ACTC, and through the Maryland Relief Act, they can claim the Maryland EITC and the Montgomery County's WFIS.**

Key Messages

Child Tax Credits, Maryland EITC and Montgomery WFIS will not affect your immigration status

- Under current law, receiving the Child Tax Credit will not affect your immigration status, ability to get a green card, or your future eligibility for immigration benefits. **Use of Federal tax credits is not considered for purposes of a “public charge” determination by U.S. Citizenship and Immigration Services.**

DACA

- **Receiving Deferred Action for Childhood Arrivals (DACA) does not prevent you from claiming the 2021 Child Tax Credit for a qualifying child, as well as the Maryland EITC or the WFIS.** Even if your child is a DACA recipient, that does not prevent you from claiming them as a qualifying child for these 2021 credits on your tax returns.

Key Messages

- To qualify for the Child Tax Credit, **your child must have an SSN that is “valid for employment.”**
- **If your child’s Social Security card has the words “NOT VALID FOR EMPLOYMENT” on it then you cannot claim the Child Tax Credit for them.** If those words do not appear on your child’s Social Security card, and their immigration status hasn’t changed since it was issued, then your child’s SSN is valid for employment.
- If your child is not a qualifying child for the Child Tax Credit, **you may be able to claim the \$500 Credit for Other Dependents** for that child when you file 2021 your tax return.

Key Messages

- **Information you share with IRS - Signing up to receive these credits, or filing a 2021 tax return, does not mean information about you or your family will be shared with immigration enforcement.**
- **Social Security Numbers and Individual Taxpayer Identification Numbers** - You – and your spouse, if married and filing a joint return – must have either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN) issued by the IRS to claim the Child Tax Credit, as well as the Maryland EITC and WFIS.

Economic Impact Payments

The IRS urges people who don't normally file a tax return and haven't received Economic Impact Payments to file a 2020 tax return to get the benefits they're entitled to—

[2020 Recovery Rebate Credit](#)

Child Tax Credit and,

Earned Income Tax Credit.

Volunteer Income Tax Assistance VITA

Community Agency's VITA (Volunteer Income Tax Assistance) program prepares FREE tax returns for MONTGOMERY residents with incomes \$58,000 and through the IRS VITA program.

Free tax filing software is available!

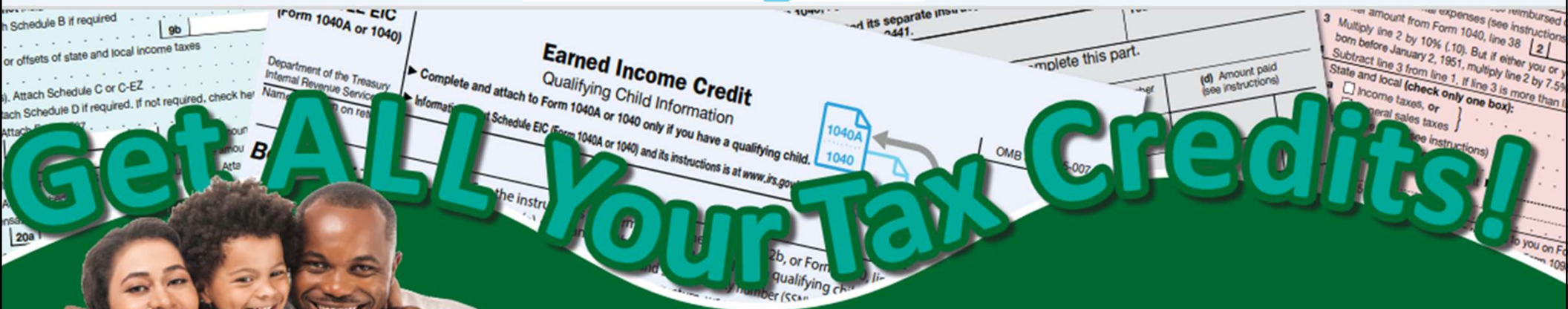
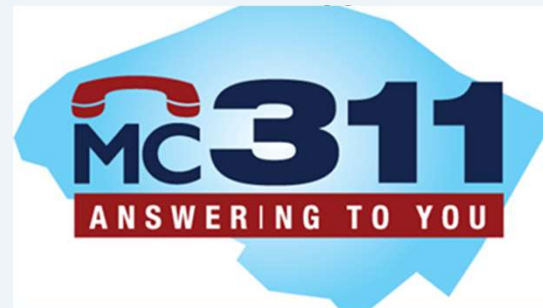
More free tax partnerships, including RSVP/AARP's Tax Counseling for the Elderly & VITA, are on the www.montgomerycountymd.gov/CASHBACK website

How to Help Your Participants?

Make a VITA appointment for free tax help!

240-777-1123 MD RELAY 711

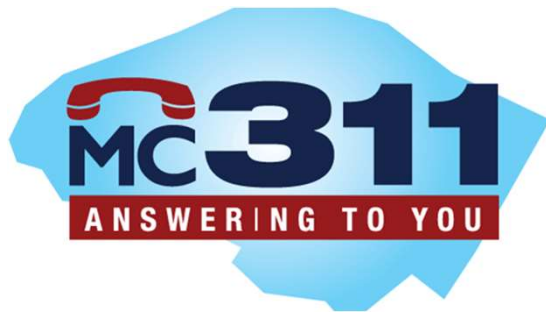
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FREE INCOME TAX PREPARATION

**MONTGOMERY COUNTY RESIDENTS
WITH HOUSEHOLD INCOME OF \$58,000 OR LESS**

2021 TAXES ONLY



United Way
of the National Capital Area





Appreciation to the CASH Campaign of Maryland, the EITC Outreach Campaign and VITA partners for sharing information incorporated in this presentation.

