



## **FAST FACTS EITC AWARENESS DAY – FEBRUARY 1, 2007**

EITC Awareness Day is an event organized by the IRS and its stakeholders to educate the public about EITC and requirements to claim the credit. It is a day set aside one day for news conferences or news releases to raise the awareness to working families of:

- Earned Income Tax Credit
- Free Tax Preparation Services
- One-time Telephone Tax Refund
- Split Refund Availability

At the national level, the IRS is planning events on February 1 that will bolster local efforts. Participation in this EITC Awareness Day by our partners and stakeholders will be greatly appreciated. Its success depends on you.

### **When is EITC Awareness Day taking place?**

Thursday, February 1, 2007. By this date, all workers should have their W-2 forms. The W-2 deadline for employers is January 31. Most of the volunteer return preparation sites will be open by this day. And, more than 60 percent of all EITC tax returns are filed during the month of February.

### **Why are we focusing on one day?**

The goal is to maximize media coverage and increase public awareness about volunteer tax preparation sites and the availability of critical tax relief issues such as the Earned Income Tax Credit and other refund opportunities.

### **How can you participate?**

Those of you who schedule kick-off events for your volunteer return preparation sites should consider holding them on February 1. For those of you who have never done so, this would be a good year consider holding an event to coincide with this EITC Awareness Day – you'll find a greater media interest than a traditional year. Even if your coalition does not generally hold news conferences, you might wish to issue news releases publicizing your site locations on that day.

### **Why we need your help?**

Volunteer tax preparation sites play a critical role in reaching taxpayers. The sites are staffed by certified volunteers trained to educate taxpayers in identifying their eligibility for the EITC and helping them file accurate tax returns. Many of those taxpayers eligible for free tax preparation also are eligible for the EITC. Yet, it's possible that as many as 20 percent of those eligible fail to claim EITC. The EITC also is a complex provision and subject to errors. Volunteers help maximize EITC participation and minimize errors.



**What other messages will be communicated on this day?**

Two other items of importance to low-income taxpayers will be priority issues in 2007 along with the EITC: The telephone excise tax refund and the split refund option.

In 2007, anyone who paid the long-distance federal telephone tax will be eligible for a one-time excise tax refund. People may either present proof of actual tax paid or option for the simple safe harbor refund amounts ranging from \$30 to \$60 depending on the number of exemptions. One of the biggest challenges will be to reach those people who do not have a filing requirement. Again, volunteer tax preparation sites will play a critical role in reaching those people who do not have an obligation to file a tax return but who qualify for the refund. The IRS has created a Form 1040EZ-T for this purpose. People can use free tax preparation sites to file a Form 1040EZ-T if they are using the safe harbor estimates.

Starting in 2007, taxpayers have more choice and flexibility for direct deposits of their refunds through a new split refund option. They can split their refunds among up to three checking or savings accounts, with up to three different U.S. financial institutions. Taxpayers can continue to use the direct deposit line on Form 1040 to electronically send their refunds to one checking or savings account, or use IRS' new Form 8888, Direct Deposit of Refund, to split their refunds among two or three different accounts/financial institutions.