



## Beverly Perdue: Earned Income Credit helps working families

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During this time of economic crisis, North Carolina is fortunate to have a new tool to help its workers and their families -- the new North Carolina Earned Income Tax Credit (EITC).

In 2007, when I and other state leaders urged adoption of a state version of the federal EITC, we couldn't have imagined the impact of the global economic crisis that the state is now experiencing. The EITC, which President Reagan called, "the best anti-poverty program ever created," can help our state weather these financial hard times.

Recent decreases in wages and working hours allow more workers to qualify for the EITC. Today, the National EITC Awareness Day seeks to ensure that eligible workers know to claim the EITC. My office is joining with a broad array of state agencies, employer associations, non-profit organizations and local community groups in a statewide EITC outreach campaign

EITC Carolinas shared the following success stories with me. One family in Onslow County had been told that they would owe a big tax bill, only to find out from a free tax preparation program at their church that they qualified for the EITC and would get a sizable refund. Another family in Forsyth County was in danger of losing their home due to medical bills until a similar free tax preparation service told them they qualified for the EITC and would also get a large refund, thus saving their home.

We are working to raise awareness of the EITC through public service announcements, toll-free help lines through Connectinc (1-888-927-3230) and the United Way 2-1-1 system. Additionally, there's support for free tax preparation services in conjunction with the IRS Volunteer Income Tax Assistance (VITA) program, and a broad dissemination of flyers and other outreach materials through health clinics, schools, employers, and child care centers. More help for taxpayers is also available through both the NC Department of Revenue website and the EITC Carolinas website [www.eitc-carolinas.org](http://www.eitc-carolinas.org).

North Carolina legislators chose to enact a state EITC because it has proven to be one of the country's most effective programs to support low- and moderate-income working families. By rewarding work, the EITC lifts approximately five million people out of poverty each year, more than half of them children. More than 20 percent of North Carolina taxpayers and their families benefit from the federal EITC each year, which brings more than \$1.5 billion into the state's economy. Approximately 70 percent of this is spent locally, which then circulates in the economy two to five more times, creating an even greater economic impact. Because the eligibility rules for both the federal and state EITC are the same, it is also easy for the state to administer.

While participation in the federal EITC in North Carolina is high -- more than 80 percent of those eligible receive the credit -- this year more than ever we want to make sure that all eligible workers know to file for

both the federal and state credit.

Free materials are available on the EITC Carolinas website -- flyers, newsletter inserts, and sample outreach letters. If you're an employer, send a simple flyer to your workers or post information in your employee break room. Community groups can put up a poster in waiting rooms or distribute them to clients and customers. Churches can put newsletter materials in church bulletins and hand out information through after-school and childcare programs. The possibilities are endless and take only a small amount of time for a big impact. Our families are working hard to make ends meet. Let's meet them halfway and make sure they get a tax break they deserve.

*Beverly Perdue is governor of North Carolina.*

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