

CITY OF CHICAGO • OFFICE OF THE MAYOR

FOR IMMEDIATE RELEASE January 3, 2020

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MAYOR LIGHTFOOT ENCOURAGES RESIDENTS TO VOLUNTEER DURING TAX SEASON TO HELP CHICAGOANS ACCESS CRITICAL TAX REFUNDS

City of Chicago and Ladder Up Encourage Residents to Volunteer Time During Tax Season so More Chicagoans Can Secure Financial Relief from the EITC and Other Programs for Low-Income Families

CHICAGO — Mayor Lori E. Lightfoot and the City of Chicago are seeking additional volunteers to help eligible Chicagoans access critical financial resources during this winter's tax filing season. Every year, through the City's Tax Prep Chicago (TPC) program, the Department of Family and Support Services (DFSS) works with local nonprofit Ladder Up to offer free tax preparation and e-filing to thousands of working-class residents. Given that these free tax services are made possible by volunteers, this year the City is calling for additional volunteers to help more Chicago residents secure critical tax relief in 2020.

"As a City, we must unlock the full potential of residents in every neighborhood, meaning we must all do our part and look for ways to help our neighbors thrive," said Mayor Lightfoot. "My administration is committed to ensuring working families have the tools and resources they need to take advantage of critical tax relief, helping them keep more of their hard-earned money in their own pockets."

Ladder Up largely depends on the services of volunteers who are trained to deliver assistance at 15 sites throughout Chicago from February 1 through April 15. Volunteers do not need to have a tax or financial background to participate – Ladder Up provides all the necessary training and support. Training is offered from now through February 8, and volunteers can manage their training and volunteer schedules online. Volunteer sessions are held on Saturday mornings, as well as on weekdays and weeknights. For more information about volunteering for TPC, please visit <u>www.goladderup.org/volunteer</u>.

"Many clients have to endure long wait times for service and, last year, we had to turn away over 1,000 clients due to volunteer shortages," said Christine Cheng, Ladder Up's Executive Director. "Additional volunteers would help speed up the process and help us serve more clients during the tax season."

Since 2000, the TPC program has helped Chicago filers through free federal and state tax return preparation and e-filing. For the 2020 season, services will be available to families earning up to \$56,000 per year or individuals earning up to \$30,000 annually. During the 2019 tax season, through TPC, lead partner Ladder Up helped low- to moderate-income



taxpayers secure over \$26 million in tax refunds, saving an estimated \$5.1 million in commercial tax preparation fees.

"I encourage all residents to give back to their neighbors this tax season and volunteer at one of the various tax sites that will be open beginning February 1," said DFSS Commissioner Lisa Morrison Butler. "The Department of Family and Support Services is grateful to Ladder Up for its many years of partnership in serving low- and middle-income families and individuals throughout Chicago."

Along with a push for more volunteers, the City is calling upon more residents to apply to take advantage of the Earned Income Tax Credit (EITC). Research shows that the EITC is one of the most successful anti-poverty programs in the country, as it boosts the income of working families earning low wages by offsetting income and payroll taxes and incentivizing workforce participation.

While thousands of residents participate in the TPC program each year, an estimated 546,000 Chicagoans, or 22 percent of Chicago households, are eligible to receive the EITC, and an estimated 276,000 children live in these households, representing 40 percent of all Chicago children. Paired with the Lightfoot administration's expansion of benefits for low-wage workers, including the passage of \$15 Minimum Wage, the EITC offers a powerful opportunity for the City to help residents generate upwards of thousands of dollars in additional net income in 2020. Approximately 20 percent of eligible Chicago taxpayers do not take advantage of the EITC, and a 5 percent increase in uptake among eligible Chicagoans would likely cover more than 19,000 additional families and add over \$52 million in economic benefit to families.

Tax Prep Chicago offers low-income filers assistance to claim all the credits that they are eligible for, including the EITC and the Child Tax Credit (CTC), and keep the full amount of the refund that they are due, representing a critical short-term income boost that families depend on. In 2019 alone, TPC volunteers helped more than 17,000 Chicago families and individuals to receive more than \$26 million in tax refunds and credits, with roughly one-third of clients claiming the federal EITC, at an average credit of \$1,500 per eligible return.

Last month, Finance Committee Chairman and Alderman Scott Waguespack introduced a resolution emphasizing the City's and the administration's commitment to reducing poverty and bettering the lives of the working class by encouraging a stronger participation in the EITC in 2020. The Finance Committee will hold a subject matter hearing on January 13, where policy experts and advocates will testify on the benefits of the EITC, including how it will help increase income for the same residents who will benefit from the recent increase to the City's minimum wage, a result of City Council approval in 2019.

"I encourage all eligible Chicagoans and families to take advantage of the EITC and other tax credits this tax season," said Alderman Waguespack. "Tax credits, especially the EITC, combined with the minimum wage raise approved by Chicago's City Council, will help lift more of our city's families out of poverty."



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For more information about Tax Prep Chicago, including a full list of tax sites and service hours, please visit <u>www.taxprepchicago.org</u>.

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