

## Resource centers help lift families out of poverty

Special to the Register

In an economic downturn, local programs that help families increase their income are critical to the health and welfare of our community. To help low-wage taxpayers keep more of what they earn, Napa County family resource centers collaborate with the Internal Revenue Service and United Way of the Bay Area to provide free tax return preparation and asset-building information to Napa households that earned less than \$42,000 in 2008.

For the tax year 2008, staff and volunteers at our county's four family resource centers filed 570 returns, resulting in \$1,000,000 in tax credits to these families. Since 2003, Calistoga Family Center, St. Helena Family Center, Cope Family Center, and American Canyon Family Resource Center's combined efforts have brought \$2,452,552 back to Napa county families and the community.

A recent report issued by Child Trends stated, "Research suggests that programs that help make work pay for parents help their children, as well. The Earned Income Tax Credit is particularly noteworthy in this regard. Analysis has shown that in 2003, an estimated 2.4 million children were lifted out of poverty by the EITC."

Enacted in 1975, the federal Earned Income Tax Credit is a refundable tax credit that reduces or eliminates the taxes that low-income working people pay — such as payroll taxes — and frequently operates as a wage subsidy for low-income workers.

According to the IRS tax data for Year 2005, 28,469 households in Napa County are eligible for the EITC, while only 4,723 filed for the EITC, and less than 2 percent participated in the free tax assistance clinics provided through Napa's family resource centers. Instead, many of Napa's neediest, hardworking families pay \$150 to \$300 each year to commercial tax preparers.

In addition to helping working families keep more of what they earn, Napa's free tax clinics provided more than 39 volunteers the opportunity to give back to the community. From January through April of this year, these volunteers donated 1,025 hours to the program, the equivalent of a

half-time employee! Becky Garza, who volunteered for the program and works at Umpqua Bank, said, “Tax preparation volunteering was very challenging, but I felt so appreciated! I am so grateful to have had this experience, and will be back next year.”

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