



In 2012, **2.57 million** Texas residents who claimed EITC received an **average of \$2,575** when filing their tax returns.

# MONEY MATTERS

If you earn \$50,270 per year or less, you can keep more of your money with the **Earned Income Tax Credit**.

**Find out how.**

Community Development

This special supplement is made possible with funding by Citi Community Development.  
Please consult with a professional tax advisor for more information about your own situation.

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## How do you claim the EITC?

- File an income tax return or a joint return if you're married.
- Earn \$50,270 per year or less.
- Meet certain age requirements (25-64 if you don't claim a child as a dependent).
- Have a valid Social Security number.
- Cannot be someone else's dependent.
- Meet U.S Citizenship or residency requirements.
- Less than \$3,200 in income from investments for the year.

Find out if you qualify for EITC this year:  
<http://1.usa.gov/Q5IB26>

## What is VITA?

The Volunteer Income Tax Assistance (VITA) program provides free tax help for people with incomes of about \$50,000 or less.

The volunteers make sure that taxpayers claim credits like the EITC, which can lead to significant tax refunds.

A list of VITA sites can be found at  
[http://raisetexas.org/assets\\_building\\_db/search/](http://raisetexas.org/assets_building_db/search/)

Go to the website to enter your zip code and find the closest VITA site(s) near you. The address, phone number, languages spoken at the site and the dates of operation are listed. You can also dial 2-1-1 for further assistance.

## Bring ALL of these to the VITA site!

- Proof of identification (like a driver's license, state ID or U.S Passport).
- Social Security cards or official Social Security Number (SSN) verification letters for yourself, your spouse and any dependents.
  - No SSN? Bring your Individual Taxpayer Identification Number (ITIN) assignment letters.
- All documents relating to money that you received throughout the year.
  - Wage and Earnings Statement(s) from your employer(s) (Form W-2, W-2G, or 1099-R).
  - Interest and Dividend Statement(s) (Form 1099) that you received from your bank(s).
- A copy of your federal and/or state tax return from last year, if you filed.
- The total amount you paid for daycare and the daycare provider's tax identification number – **YOU MIGHT BE ELIGIBLE FOR CREDITS.**
- Your bank routing and account numbers (if you have a bank account and want to have your tax refund direct-deposited, which is faster). These numbers are usually listed on your checks or deposit slips.
- Your spouse (if applicable). Both of you must sign the required forms.

## Save money for a secure financial future.

**Save for retirement.** According to the Department of Labor, the average American will spend 20 years in retirement. Saving helps you make the most of those years. Start small by putting aside just a little each month. Talk to your employer about retirement savings or pension plans. Ask your bank about opening an IRA account.

**Pay off debt.** If you're paying high interest rates on credit cards or loans you are losing money. Pay off debt with the highest interest first. Try to change your credit card habits by charging no more than what you can afford to pay in the same month. Save for expensive purchases. It may be convenient to buy with credit, but you may end up paying double.

**Save for college.** A college education can increase earning potential for a lifetime. Tuition, books and other expenses can add up to a lot, even if you qualify for financial aid. If you have a child going to college or plan to further your own education, consult your bank about a 529 savings plan. It's specifically for college costs and provides special tax benefits for you.

**Start a rainy day fund.** It's a good idea to have an emergency fund during tough times, like unexpected medical costs or sudden unemployment. Save enough to cover about six months of expenses and leave that money alone during good times. Ask your bank about savings accounts that will earn interest and grow over time.

## Open a bank account to save safely and easily.



**It's Safe.** Money in the bank is insured up to certain limits by the federal government – so, even if the bank were to close, you won't lose all of your money. Putting your money in the bank protects it from theft and fire.

**It's Convenient.**

- Pay your bills online or with checks.
- Have your salary automatically deposited.
- Access your money 24/7/365 through automated teller machines (ATMs).
- Use your ATM card to pay at stores (instead of carrying around cash).

**It Can Grow.** Some bank accounts earn interest so you end up with more than you put in.

**It Saves You Money.** With a bank account, there's no cost to cash checks or transfer money.

**It helps build an important relationship.** As the bank gets to know you as a responsible account holder, it's more likely to give you a loan for college, house or car.



"Providing free tax preparation services and other related assistance for hard working low- and moderate-income families in Texas is a critical component to lifting families out of financial crisis, and providing them with the opportunity and tools to become financially stable."

Woody Widrow  
Executive Director  
RAISE Texas

## Partner Spotlight

RAISE Texas is proud to provide financial support, resources and technical expertise to low- and moderate-income areas throughout Texas. In 2008, RAISE Texas became the first independent 501(c) (3) state asset building coalition in the country. Over the past five years, RAISE Texas has successfully expanded asset building and financial stability related products and programs throughout the state. In 2010, RAISE Texas partnered with the IRS and United Way of Texas to produce a toolkit on how to start a VITA site in one's community. Over the past three years, RAISE has partnered with the Center for Public Policy Priorities to provide grants to nonprofits that run VITA sites and to

encourage families receiving EITC refunds to save for short and long-term needs and goals. So far, this incentive program has helped over 900 individuals save a portion of their refund.



**"The EITC not only reduces poverty and bolsters financial stability, the working tax credit also provides a nest egg for a better future."**

Don Baylor, Jr.  
Senior Policy Analyst  
Center for Public Policy Priorities

## LEARN HOW TO MANAGE YOUR FINANCES:

**IRS Tax Help**  
<http://www.irs.gov/Help-&-Resources>

**CFED Financial Education Guide**  
[http://cfed.org/assets/pdfs/BOTW\\_VITA\\_English.pdf](http://cfed.org/assets/pdfs/BOTW_VITA_English.pdf)

Citi Community Development leads Citi's commitment to achieve economic empowerment and growth for underserved individuals, families and communities. In partnership with public and nonprofit agencies, we expand access to financial products and services and build sustainable business solutions.

Learn more about Community Development at Citi: [citicommunitydevelopment.com](http://citicommunitydevelopment.com).



Debbie Taylor  
Citi Community Development  
State Director for Texas

Community Development

