Op Ed for State Treasurer Richard Moore

Last year in North Carolina, as many as 212,000 North Carolinians who worked hard to support themselves and their families may as well have given the federal government a $1700 tip. They didn't mean to. They couldn't afford to. But that's what they did.

Those 212,000 working individuals and families qualified to receive the Earned Income Tax Credit (EITC) but didn't file for it. Why would eligible families neglect to apply for a tax credit that is worth $1700 on average? For some, the rules seem too complicated. Others who aren't required to file federal taxes because of their low income don't know that they are still entitled to tax credits that could be worth thousands of dollars if they filed a tax return.

But there are alternatives. In almost every county in the state, those who qualify for the EITC can file their taxes at free tax clinics (for a location near you, call 1-800-829-1040). Thanks to help from the Annie E. Casey Foundation and MDC, a Chapel Hill-based non-profit, we now have an umbrella organization partnering with others to provide free tax prep around the state in over forty counties (http://www.eitc-carolinas.org). If there is not a free clinic nearby, those eligible for the EITC can also take advantage of free tax filing on the Internet by going through the IRS website http://www.IRS.gov. Unemployed workers who are EITC-eligible can file their taxes on line for free at their local Employment Security Commission office.

Take the recent example of a family of four in Onslow County. After taking a quick look at their W-2 form, a commercial tax preparer told them that they would probably owe $800 in taxes this year. Worried, they turned to a free tax service they learned of through their church. The free tax service discovered that not only did the family qualify for a $5800 refund this year, they were also entitled to over $3000 for the last two years (tax payers can file or amend tax returns to receive tax credits for up to three years). This fortunate family now has close to $9000 in tax refunds to invest in a more secure financial future.

Since becoming Treasurer in 2000, I have undertaken many initiatives to advance fiscal literacy, including spreading the word about the EITC. But despite my efforts and those across the state who have joined in this campaign we are not reaching everyone. As we approach April 15th, we need your help in spreading the word.

If you have friends or family who might qualify, tell them to call the IRS for materials on how to claim the credit. If you an employer, let your employees know about the credit. If you are a public official, include information about the EITC when you talk with churches, civic groups, and businesses that can help to spread the word. These credits can make a difference to your tax base.

If you are a business, spread the word through your customers – more money in the community means additional spending at local businesses. If you are a church or community organization, talk to your members about the availability of the credit and

how it can help them build a brighter financial future. Community volunteers can discover the satisfaction that comes from helping hard-working parents and their children.

To be successful in this effort, we need to work together. And if we do it right, everyone in our state will benefit – families trying to make ends meet; businesses trying to increase sales; and local and state governments trying to balance their budgets.