



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

January 23, 2013

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

MAYOR EMANUEL KICKS OFF TAX SEASON WITH ANNOUNCEMENT THAT CITY WILL INCREASE FUNDING FOR TAX PREPARATION RESOURCES TO HELP THOUSANDS OF CHICAGO FAMILIES SECURE MILLIONS IN TAX REFUNDS

Additional \$500,000 in New Funding Over the Next Two Years Will Help Provide Resources for Thousands of Chicagoans Eligible for the Earned Income Tax Credit

Mayor Rahm Emanuel today announced that the City of Chicago will provide an additional \$500,000 in funding to help Chicago's working families who qualify for the Earned Income Tax Credit (EITC) apply for their tax refunds by hiring additional site leaders, expanding hours and days they are available to provide critical free assistance. Each year nearly 100,000 - or 25 percent of eligible families in Chicago - do not take advantage of the EITC, leaving over \$230 million in unclaimed refunds. Mayor Emanuel has committed to ensuring that families in Chicago have access to the information and resources they need to take advantage of these critical funds, which have been known to keep numerous families from falling into poverty.

These additional resources will ensure that Chicago working families do not bear the brunt of the fallout from the recent fiscal cliff negotiations, which forced the IRS to give working families even less time to file for the EITC by cutting the tax season by two weeks. Throughout his career, Mayor Emanuel has been a fierce advocate for expanding the EITC. Most recently, the Mayor joined the successful fight to double the value of Illinois State EITC.

"The EITC is the single most important tool we have to encourage work and reduce poverty in our country. Each and every year too many families either don't know they are eligible or need help applying for the EITC, and this year the challenge is even greater because of the shortened tax season," said Mayor Emanuel. "This investment will make sure that Chicago's working families aren't punished for Washington's dysfunction by providing additional hours, locations and resources to help these families stay out of poverty, pay their bills and fuel the local economy."

The new \$500,000 investment the Mayor announced today is from remaining funds from the \$11.9 million the City collected last year's income tax claw backs from nearly 73,000 scofflaws. It will be dispersed to the Center for Economic Progress and Ladder Up, two non-profit organizations that currently provide free tax preparation services to over 18,000 Chicagoans. The funds will allow

each of the organizations to expand the hours and number of days at sites allowing 7,000 more families to have access to free tax prep services over the next two years. This investment by the City will lead to over \$16 million in additional refunds for working families and stimulate over \$26 million in local economic activity.

“These new funds will help thousands of Chicago families by improving their financial bottom line, ensuring they claim and keep all of their hard-earned tax refund dollars,” said David Marzahl, CEO of the Center for Economic Progress. “Taxes are more complicated than ever. With more support from the City and more volunteers, CEP can help more families across the city prepare and file their tax returns and claim all the credits to which they are entitled. Larger refunds mean that families will be able to catch up on their bills and put food on the table for their children.”

“Chicago families need to know that there are free resources available to help them secure the credits and refunds they can use to help meet immediate needs and provide for their children,” said Christine Cheng, Director of Ladder Up. “We know that in this economy, every dollar counts.”

In addition, Mayor Emanuel today launched a new website: www.TaxPrepChicago.org that will allow residents to find their closest free tax preparation site, file their taxes online for free, learn more about the EITC, and provide important information about consumer rights when using a paid tax preparer.

#