



Tax Credits for MCAH Program Participants

October 2018

ISSUE BRIEF

Your participants involved in the State of California's Maternal, Child and Adolescent Health (MCAH) programs may qualify for cash-back tax credits. Those who work full- or part-time may be eligible for cash refunds from both state and federal Earned Income Tax Credit (EITC) programs. The California Earned Income Tax Credit (CalEITC) supplements the federal EITC, and Californians who qualify for CalEITC will likely also qualify for the federal EITC. Refunds are not counted as income for eligibility of benefits for CalWORKs, CalFresh, Medi-Cal, disability or other public benefit programs.

OPEN THE DOOR FOR CASH-BACK OPPORTUNITIES

Knowing how and when to access government programs is not easy, and is sometimes a sensitive subject. Your work with MCAH program participants—whether home visiting, Black Infant Health, adolescent health or another program—establishes a bond and level of trust that allows for such conversations. Your relationship with your participants opens the door to talk about EITC, which can get working families thousands of dollars cash back on their tax return.

MCAH RECOMMENDATIONS

The MCAH Division recommends that local programs encourage their frontline staff to discuss tax credit options with participants, and offer federal and state resources and assistance for determining eligibility. Families must file a tax return to receive the EITC benefit, even if the families are under the required income threshold for filing and do not owe any income tax.

CALCULATING THE REFUNDS

For tax year 2018, anyone age 18 and over may be eligible for CalEITC. Previously, individuals aged 18-24 and people over age 65 had to have qualifying children to be eligible. That is no longer the case. You can explore eligibility with your program participants through several resources that are available at the user-friendly website, caleitc4me.org. Use the EITC calculator, located at the "Earn It" tab, to determine how much a family could get back on tax returns—for both state and federal EITCs.



www.CalEITC4me.gov

WHAT WOULD YOUR PROGRAM PARTICIPANTS DO WITH AN EXTRA FEW THOUSAND DOLLARS?

AVOID TAX FRAUD AND SCHEMES: VITA SITES OFFER FREE TAX ASSISTANCE

If your program's families are eligible for EITCs, they can get tax returns filed for **FREE** through the Volunteer Income Tax Assistance (VITA) program. The interactive map at caleitc4me.org/get-it allows you to search for locations, select a specific language and choose from walk-in or appointment options.

Using VITA allows participants to avoid fraud by those who target vulnerable populations and lenders who take a percentage of the refund or fee in exchange for fast refunds, upfront cash and/or filing. Participants may use direct deposit for a faster refund. Visit bankoncalifornia.ca.gov to find local, low-cost savings or checking account programs.

TAX SEASON TIPS

Here is what program participants can do in preparation of filing taxes:

Organize documents

- Proof of income, including W-2s (and 1099 for federal EITC)
- Documentation of deductible expenses
- Form of Government Identification
- Social Security number for each family member
- For a faster refund: Account and routing numbers for bank account for direct deposit
- Health Insurance Form (1095-A, B and/or C)
- Copy of 2017 tax return, if available

File taxes for free

- Get taxes filed for free at a VITA location in your community: caleitc4me.org/get-it

SEE IF YOUR PARTICIPANTS ARE ELIGIBLE AND HOW MUCH THEY MAY QUALIFY FOR WHEN FILING THEIR TAXES

Number of Qualifying Children*	CA Maximum Income**	CalEITC (up to)***	Federal EITC (up to)***
None	\$16,750	\$232	\$519
1	\$24,950	\$1,554	\$3,461
2	\$24,950	\$2,559	\$5,716
3 or more	\$24,950	\$2,879	\$6,431

* Children must meet three criteria to qualify. Visit caleitc4me.org/qualifying-children for more information.

**These figures are based on the 2018 tax year. Income numbers reflect the maximum household amount recipients may earn and still qualify for CalEITC.

***Recipients may qualify for credit up to these amounts. To see the exact amount of CalEITC and/or federal EITC that may be received, use the EITC Calculator at: caleitc4me.org/earn-it.

STATE EARNED INCOME TAX CREDIT

Families may be eligible if they:

- Show earned income on a W-2, with maximum noted above
- Have Social Security numbers for all qualifying family members
- Lived in California for more than half the tax year
- Do not use the "married/RDP filing separate" filing status

FEDERAL EARNED INCOME TAX CREDIT

Families qualifying for CalEITC will likely also qualify for the [federal EITC](#).

IS THERE MORE MONEY AVAILABLE?

In addition to filing for this year's EITC, families can file amended returns for past years if they did not claim EITC or Child Tax Credit in prior years. For tax year 2018, the Child Tax Credit is worth up to \$2,000 per qualifying child. There is no late filing penalty if they do not owe any tax in the prior years.

HOW YOU AND YOUR STAFF CAN LEARN MORE ABOUT EITC

- Attend EITC training through your local Community Action Partnership or United Way
- Schedule an EITC training or information night for your Community Advisory Board (CAB) or other stakeholder meeting
- Discuss EITC at your staff meetings

IT'S YOUR MONEY
GET IT!
FIND OUT HOW CalEITC4Me.org



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