



**City of Long Beach**  
**Working Together to Serve**

**NB-14**

Memorandum

*Office of Councilmember Steven Neal*  
Councilmember, 9<sup>th</sup> District

**Date:** December 18, 2012

**To:** Honorable Mayor Bob Foster and Members of the City Council

**From:** Councilmember Steven Neal, Ninth District *sn*  
Councilmember Robert Garcia, First District ~~RG~~  
Councilmember Al Austin, Eight District *al*

**Subject:** "2013 Free Income Tax Preparation and Family Services" Resolution

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**Recommendation:** Request City Attorney to draft a resolution in support of the "2013 Free Income Tax Preparation and Family Services" initiative as part of the Volunteer Income Tax Assistance (VITA) Program and return for adoption at the next City Council meeting in early January 2013.

**Background:** The "Free Income Tax Preparation and Family Services" initiative is part of the Volunteer Income Tax Assistance Program. Under the leadership of Chairman Jerome Horton, this initiative has been a huge success as it was able to capture \$3.7 million in federal tax credits for California as they file tax returns. At the same time, this initiative was able to provide qualified participants the opportunity to apply for and receive a broad range of much needed family services. Currently, the California State Board of Equalization has scheduled 13 sites throughout southern California, including the city of Long Beach, to serve over 3,000 constituents.

This year qualified taxpayers who earn less than \$51,000 may be eligible to receive a maximum of \$5,891 in Earned Income Tax Credits (EITC). The EITC is a refundable credit, and unlike other available tax credits; the EITC is a direct cash payment, which is added to any refund due to qualifying individuals. Astonishingly, \$370 million in EITC remains unclaimed every year in Los Angeles County.

This resolution will demonstrate the importance of this federal credit and the positive impact it has on the local Long Beach economy and, ultimately, the State of California.

**Fiscal Impact:** There is no fiscal impact.

**Resolution by the Long Beach City Council in  
Support of 2013 Free Income Tax Preparation and Family Services initiative**

*WHEREAS, insufficient income contributes to many of the social and human service needs in our state; and,*

*WHEREAS, the Federal Earned Income Tax Credit (EITC) provides tax relief and income support to low-income working families; and,*

*WHEREAS, the EITC lifts millions of individuals out of poverty each year in the United States by supporting work and self-sufficiency while reducing the need for public assistance; and,*

*WHEREAS, each year, the EITC helps approximately 284,000 households in California and brings more than \$347 million into California's economy; and,*

*WHEREAS, every year 800,000 families who qualify for EITC fail to apply for the credit representing a loss of \$1.2 billion in increased income for local communities; and,*

*WHEREAS, increasing the use of EITC by the qualified citizens of the City of Long Beach would help stimulate our local economy and increase access to millions of dollars in income; and,*

*WHEREAS, every resident earning less than \$51,000 a year may qualify for \$5,891 in EITC which may be used to lower their taxes or increase their tax refund; and,*

*WHEREAS, for every 1,000 residents who qualify and apply for EITC, it represents a potential \$5.8 million in economic stimulus for our community; and,*

*WHEREAS, increasing EITC utilization represents a highly cost-effective economic development strategy; and,*

***NOW, THEREFORE, BE IT RESOLVED,*** that the City Council of the City of Long Beach encourages the City Manager to identify and utilize existing and potential public/private partnerships to inform citizens about the availability of the Federal Earned Income Tax Credit and Volunteer Income Tax Assistance programs.

***BE IT FURTHER RESOLVED,*** that the City Council of the City of Long Beach does hereby encourage each city entity to work in partnership with private outreach campaigns to identify and utilize existing communications mechanisms to inform their employees and citizens about the availability of the EITC and VITA programs, which may include city publications, billing notices, websites, human resource materials and communications, correspondence, and forms from the City Business Tax and Fee department; and

***BE IT FURTHER RESOLVED,*** that the City Council of the City of Long Beach hereby directs the City Manager to place a public service announcement on the City's local cable show and to have VITA related posters, and brochures at City facilities including public libraries, city hall, and all public sites throughout the city; and,

***BE IT FURTHER RESOLVED,*** that the City of Long Beach join the California State Board of Equalization, Franchise Tax Board, Internal Revenue Service and Jerome E. Horton, Chairman to the California State Board of Equalization in advocating the Earned Income Tax Credit and the Volunteer Income Tax Assistance Program to qualified families and individuals.



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## REQUEST TO ADD AGENDA ITEM

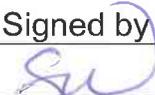
**Date:** December 18, 2012  
**To:** Larry Herrera, City Clerk  
**From:** Councilmember Steven Neal, Ninth District  
**Subject:** Request to Add Agenda Item to Council Agenda of **December 18, 2012**

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Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda under New Business via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

“2013 Free Income Tax Preparation and Family Services” Resolution

| Council District | Authorizing Councilmember | Signed by  |
|------------------|---------------------------|--|
| 9                | Steven Neal               |  |
| 1                | Robert Garcia             |  |
| 8                | Al Austin                 |  |
|                  |                           |  |

Attachment: Transmittal page dated December 18, 2012