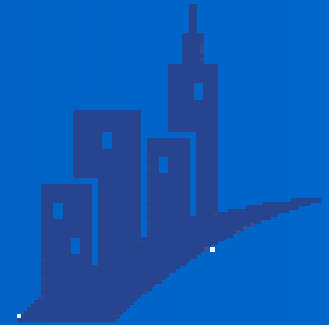


The Brookings Institution

Metropolitan Policy Program
Alan Berube, Research Director



Using IRS Data in Tax Outreach Campaigns

National Community Tax Coalition
Los Angeles, CA
October 12, 2006



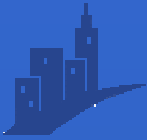
Outline

Why work with Brookings/IRS tax data?

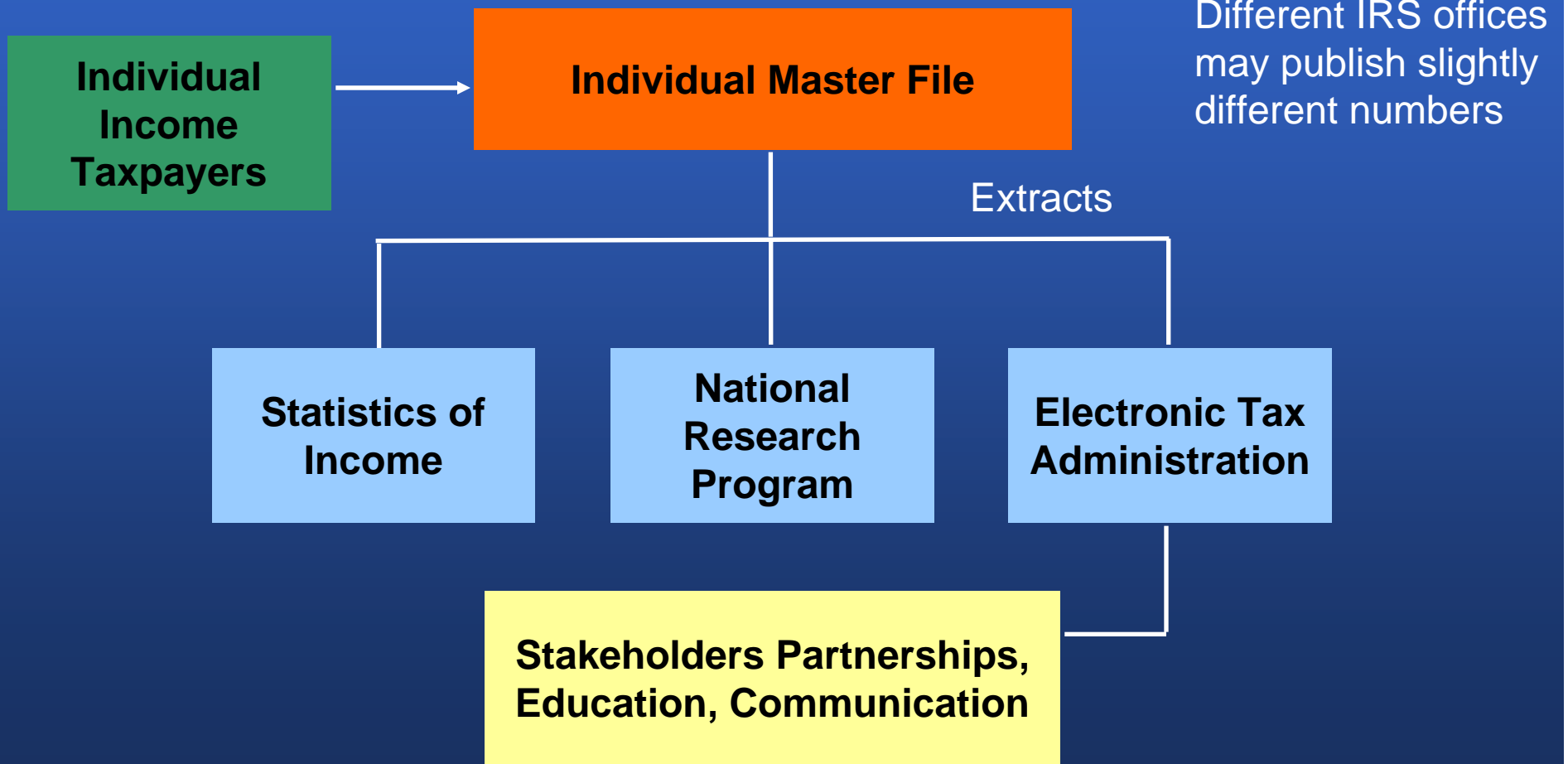
What's new on the Brookings website?

What questions can you answer using these data?

Where can I get more information?



The Brookings interactive tax data website summarizes data from IRS ZIP code-level extracts





Tax outreach professionals have a number of motivations for working with Brookings/IRS data

MEASURE

- How do my activities compare with the local market?

ADVOCATE

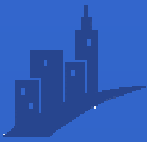
- Why should public/private/philanthropic dollars support free tax assistance?

STRATEGIZE

- Where do new opportunities lie for adding/expanding services to low-income taxpayers?

EDUCATE

- What would be the benefits from new policies to support low-income workers and families?



The newest version features data through tax year 2003 (TY2004 to come later this year)

METROPOLITAN POLICY PROGRAM

Brookings > Metropolitan Policy Program > EITC Main Page > EITC Interactive Model

CHOOSE A GEOGRAPHY TYPE

Zip Code Metropolitan Area

State Place (City/Town)

County

CHOOSE A STATE

CA

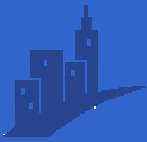
CHOOSE COUNTY(IES)

- Alameda
- Alpine
- Amador
- Butte
- Calaveras
- Colusa
- Contra Costa
- Del Norte
- El Dorado
- Fresno
- Glenn

CHOOSE TAX YEAR

1997 1998 1999 2000 2001 2002 2003

Use the "ctrl" button for multiple selections (max 50)



You can view data elements for all filers, or data specific to EITC claimants alone

METROPOLITAN POLICY PROGRAM

Brookings > Metropolitan Policy Program > EITC Main Page > EITC Interactive Model

Zip Code Tax Return Data, 1997-2003

YEAR: 2003

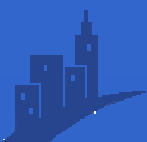
CHOOSE RETURN TYPE: All Returns
All Returns
EITC Returns

CHOOSE DATA TO DISPLAY
(* Move cursor over variable names for descriptions)

<input checked="" type="checkbox"/> New Filers	<input checked="" type="checkbox"/> Balance Due Returns
<input checked="" type="checkbox"/> EITC Filers	<input checked="" type="checkbox"/> Direct Deposit Returns
<input checked="" type="checkbox"/> CTC Filers	<input checked="" type="checkbox"/> Returns with RAL
<input checked="" type="checkbox"/> CDCTC Filers	<input checked="" type="checkbox"/> Preparer Type
<input checked="" type="checkbox"/> Education Credit Filers	<input checked="" type="checkbox"/> 1040 Type
<input checked="" type="checkbox"/> Student Loan Interest Filers	<input checked="" type="checkbox"/> Self-Employment Income
<input checked="" type="checkbox"/> Refund Returns	<input checked="" type="checkbox"/> AGI Categories

CHOOSE DATA FORMAT

HTML MS EXCEL



We have dramatically expanded the types of data available; users can choose which to view

Data remain available for viewing or download

METROPOLITAN POLICY PROGRAM

Brookings > Metropolitan Policy Program > EITC Main Page > EITC Interactive Model

Zip Code Tax Return Data, 1997-2003

YEAR: 2003

CHOOSE RETURN TYPE:

CHOOSE DATA TO DISPLAY
(* Move cursor over variable names for descriptions)

<input checked="" type="checkbox"/> New Filers	<input checked="" type="checkbox"/> Balance Due Returns
<input checked="" type="checkbox"/> EITC Filers	<input checked="" type="checkbox"/> Direct Deposit Returns
<input checked="" type="checkbox"/> CTC Filers	<input checked="" type="checkbox"/> Returns with RAL <input type="text" value="Returns receiving a direct deposit of refund"/>
<input checked="" type="checkbox"/> CDCTC Filers	<input checked="" type="checkbox"/> Preparer Type
<input checked="" type="checkbox"/> Education Credit Filers	<input checked="" type="checkbox"/> 1040 Type
<input checked="" type="checkbox"/> Student Loan Interest Filers	<input checked="" type="checkbox"/> Self-Employment Income
<input checked="" type="checkbox"/> Refund Returns	<input checked="" type="checkbox"/> AGI Categories

CHOOSE DATA FORMAT

HTML MS EXCEL

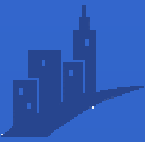


1) How many taxpayers claim the EITC? Why: Show benefits of a state-level EITC by area

Value of a 20% refundable state EITC, CA counties, 2006*

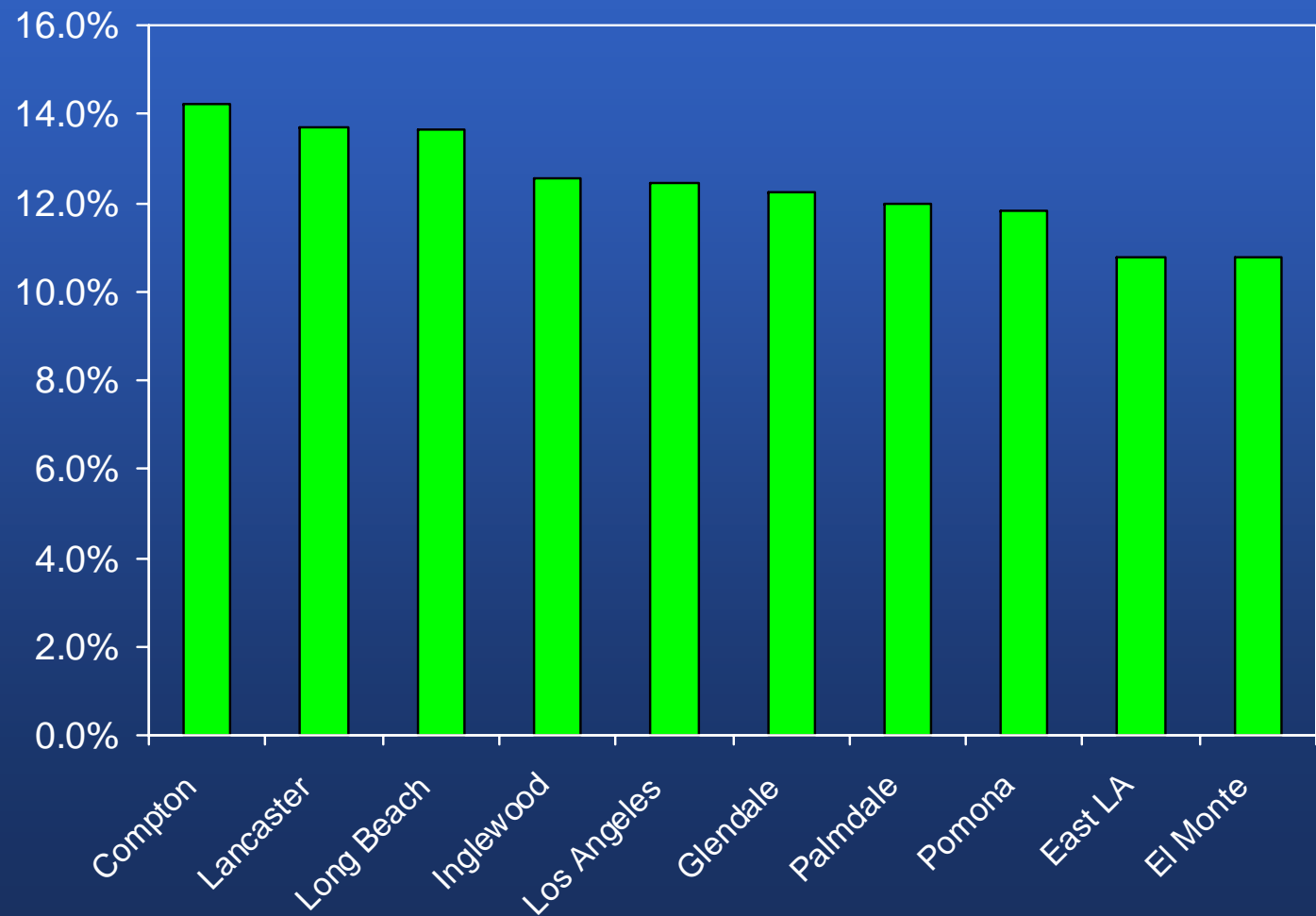
*based on 2003 receipt, adjusted for projected value of EITC nationwide in 2006

County		Recip.	Value (\$000s)	CA Estimate (\$000s)
1	Los Angeles	815,020	1,483,859	296,772
2	San Diego	180,790	303,838	60,768
3	San Bernardino	152,363	291,973	58,395
4	Orange	153,946	255,893	51,179
5	Riverside	132,678	250,971	50,194
6	Fresno	84,030	166,430	33,286
7	Sacramento	83,953	145,708	29,142
8	Kern	67,752	136,790	27,358
9	Alameda	68,216	103,971	20,794
10	Santa Clara	62,216	91,350	18,270
	CA Total	2,384,888	\$4,206,081	\$841,216



2) What proportion of EITC filers are “new” filers? Why: Locate new entrants, emphasize continued outreach

Percent of EITC claimants who did not file return in previous year, by city, Los Angeles County, TY 2003

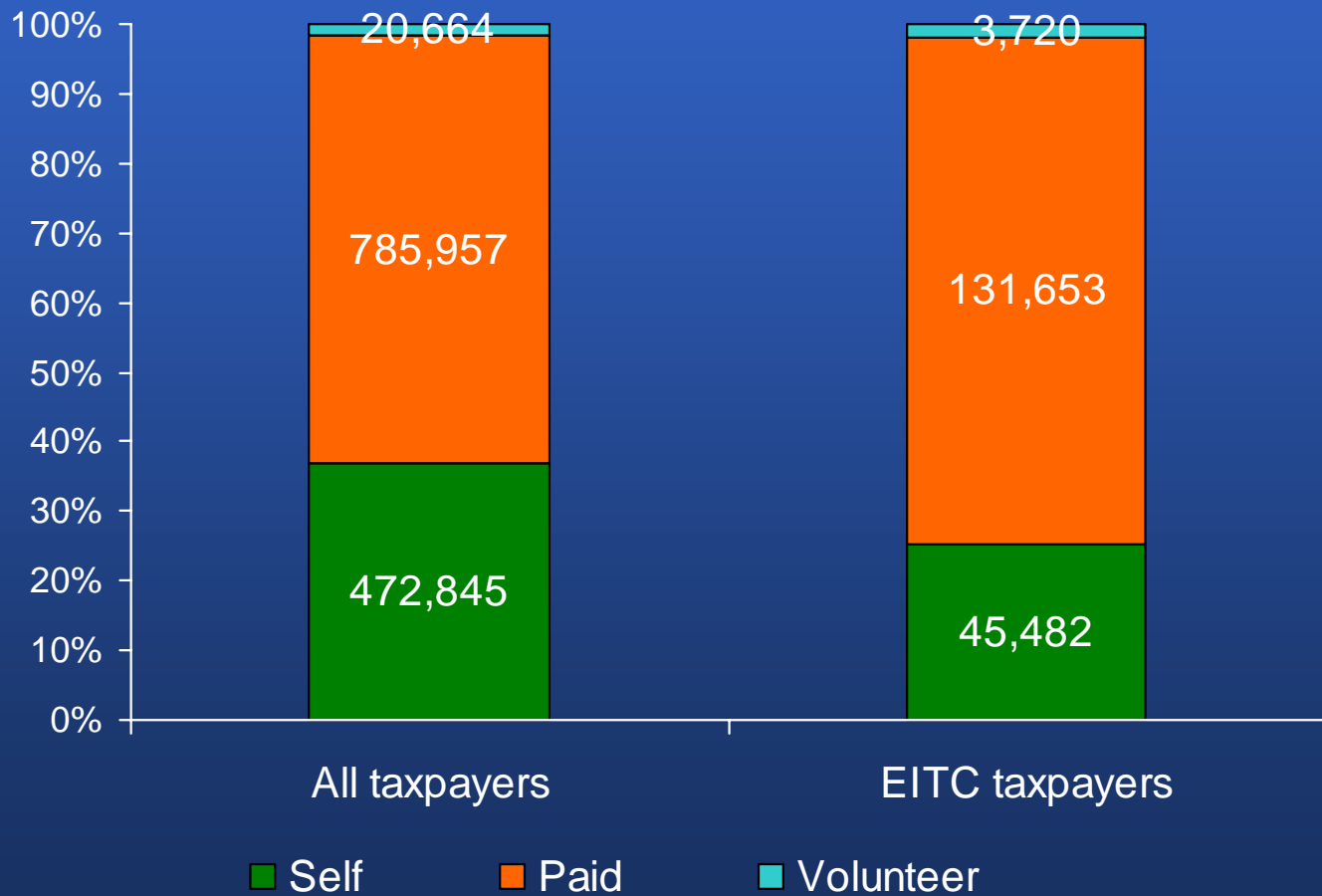




3) How many filers are served in the volunteer sector?

Why: Show progress, make case for expansion or partnerships

Taxpayers by filing method and EITC status, San Diego County, TY 2003





4) What proportion of low-income filers use Direct Deposit? Why: Target financial services outreach or product promotion

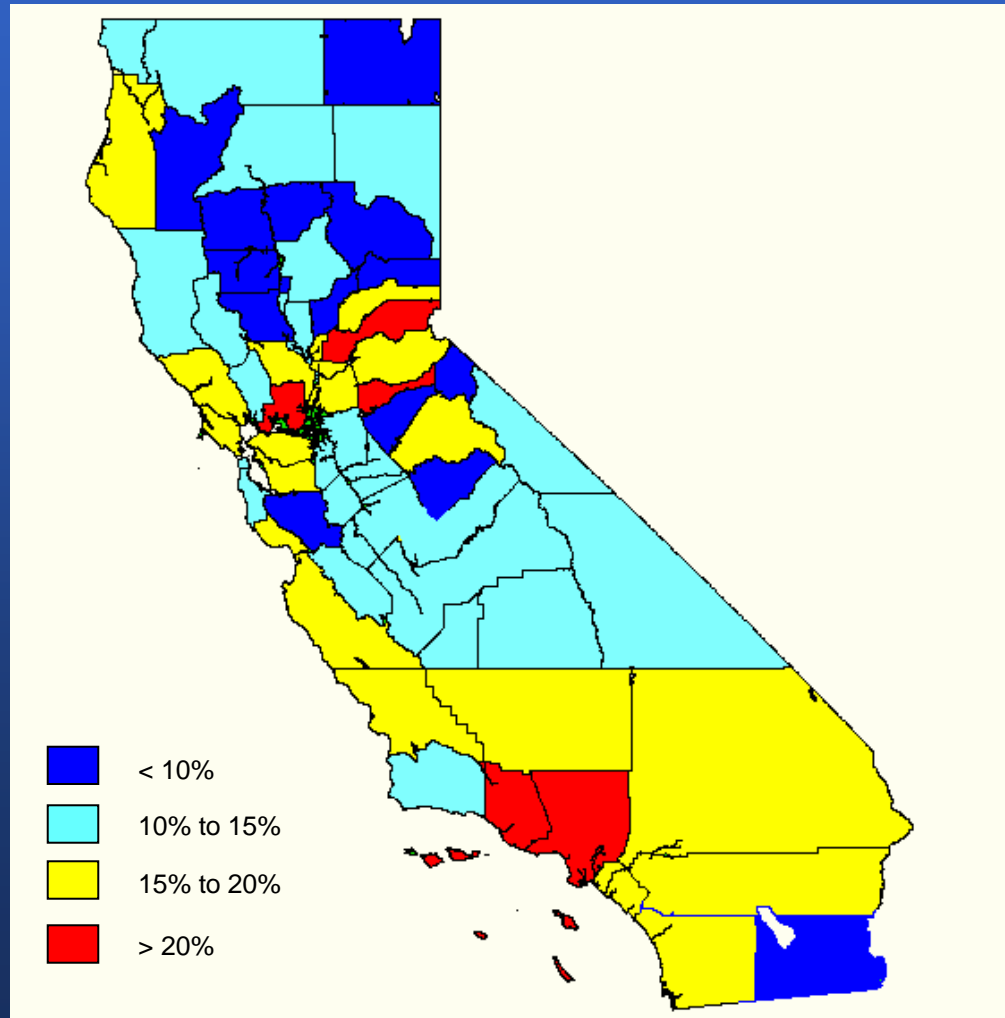
Oakland ZIP codes ranked by proportion of EITC filers using Direct Deposit (and not using RAL), TY 2003

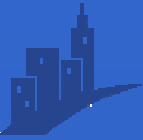
		EITC Recipients			
	Oakland ZIP code	# w/ refund	# Dir Dep	# w/ RAL	% Dir Dep
1	94606	3,340	1,130	648	17.9
2	94601	3,779	1,645	1,006	23.0
3	94602	1,376	591	388	20.5
4	94607	2,070	1,067	706	26.5
5	94603	2,536	1,446	1,015	28.3
6	84621	2,416	1,360	930	28.9
7	94619	1,313	610	316	29.5
8	94608	1,254	728	461	33.7
9	94605	2,739	1,721	1,163	35.4
10	94609	1,355	775	419	38.0



5) At what rate do low-income families access other credits? Why: Assess need for additional outreach or volunteer training

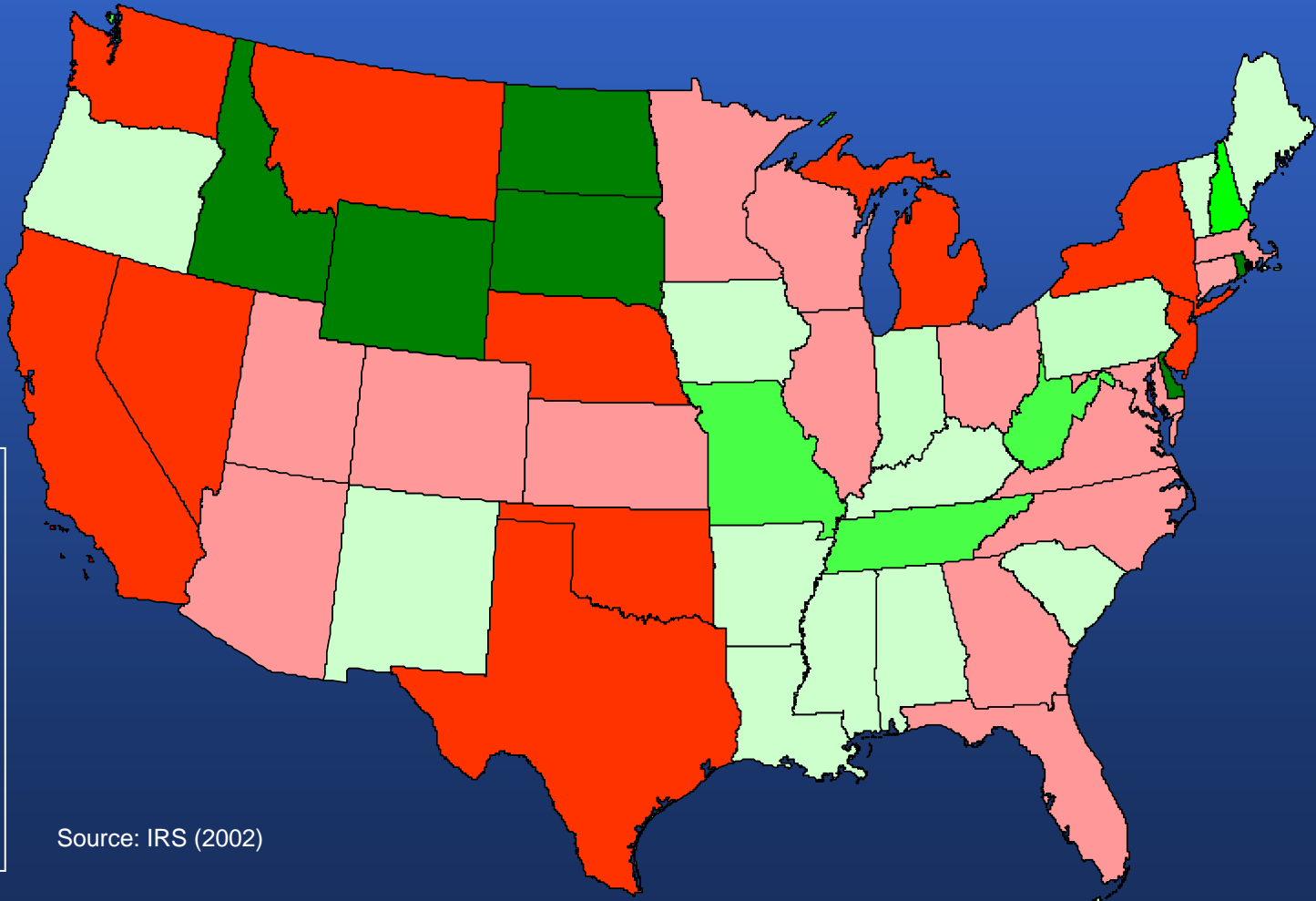
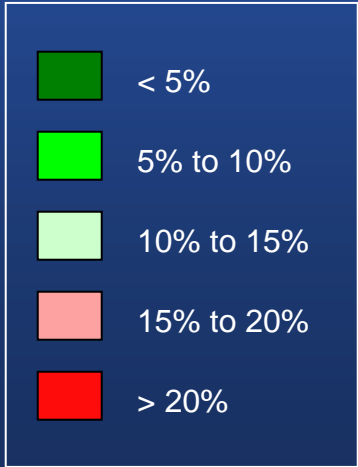
California counties by % of EITC recipients with AGI > \$20k claiming Child and Dependent Care Credit, TY 2003

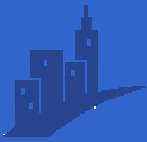




6) How much money is my area “leaving on the table?” Why: **Everyone** wants to know this!!

Percentage of eligible EITC recipients failing to file taxes, TY1996



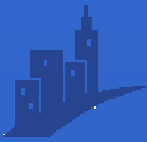


Trick is that we have neither the numerator nor the denominator for the participation rate locally

EITC participation rate: the percentage of taxpayers eligible for the EITC who claim the credit

$$\text{Rate} = \frac{\text{Eligible taxpayers claiming EITC}}{\text{Total eligible taxpayers}}$$

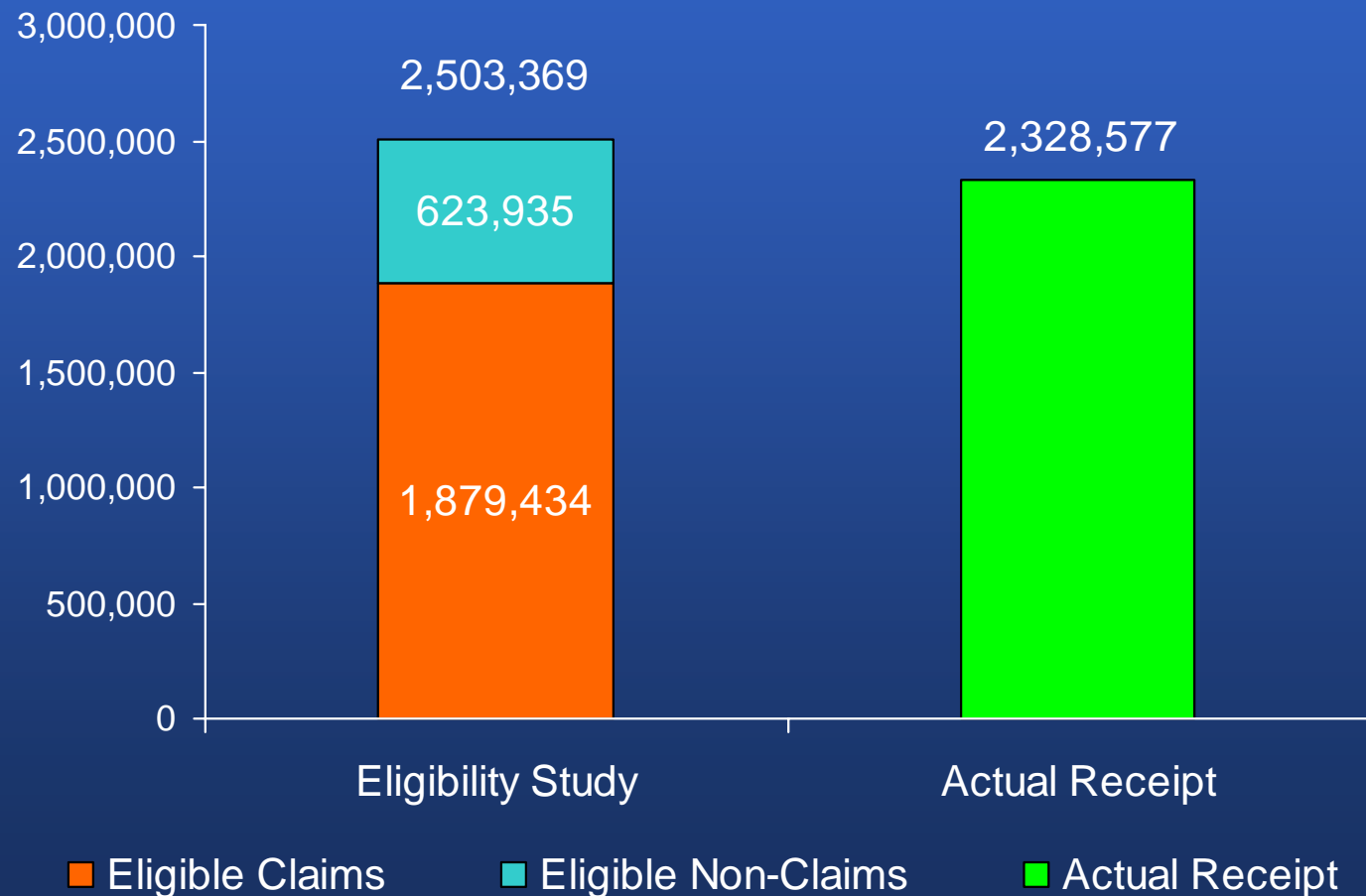
- a) We're not sure how many of the taxpayers shown in the IRS data were truly "eligible" for the credit
- b) We lack up-to-date local data that could specify the size of the eligible population



An IRS study of tax year 1996 data demonstrates the problem...

Estimated EITC eligibility in CA versus actual EITC receipt, TY 1996

Source: IRS (2002)





Here are some sources and resources for more information

Data at Brookings

- Tax data website: <http://webapps.brookings.edu>
- Accompanying user guide:
<http://www.brookings.edu/metro/eitc/dataguide.htm>

Data from IRS

- <http://www.cbpp.org/eitc-partnership/territory-manager.htm>
- <http://www.irs.gov/taxstats/index.html>

Guidance on Participation Issues

- <http://www.brookings.edu/metro/eitcparticipation.pdf>
- aberube@brookings.edu; ekneebone@brookings.edu

www.brookings.edu/metro/eitc

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METROPOLITAN POLICY PROGRAM

Brookings > Metropolitan Policy

July 1, 2004

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Redefining the challenges facing metropolitan America and promoting innovative solutions to help communities grow in more inclusive, competitive, and sustainable ways.

ANNOUNCEMENT

Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

▶ read an open letter from Brookings President Strobe Talbott

METROVIEW

Deficits by Design Plague Metro
by Robert Puentes
The Washington Times
June 21, 2004

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METROPOLITAN GROWTH

Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

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Metro Washington's "limited English proficient" (LEP) population

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