

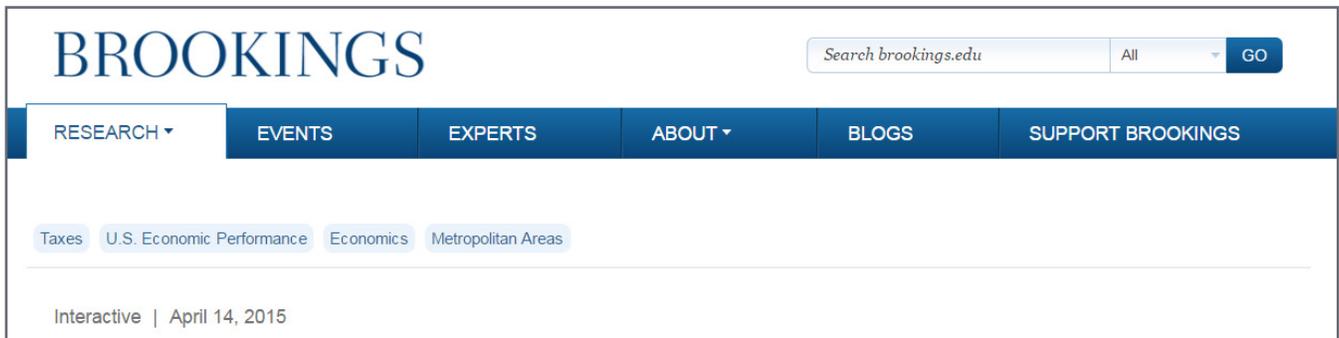
A GUIDE TO THE BROOKINGS EITC INTERACTIVE WEBSITE

How to Use Tax Credit Data in Your Outreach Efforts

Get It Back Campaign
Center on Budget and Policy Priorities

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**GET IT
BACK** Tax Credits
for People
Who Work

OVERVIEW

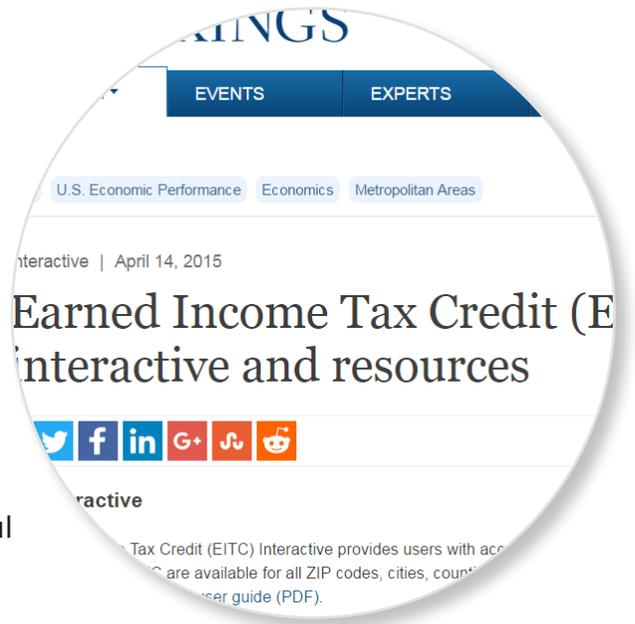
The Brookings Institution provides an [Earned Income Tax Credit \(EITC\) Interactive](#) data finder that can reveal important information about EITC claims and tax filing in your area. You can use statistics from the data to make the case for the need for tax credit outreach and to develop your outreach strategy. For example, it can help you educate coalition partners, establish relationships with new organizations, or inform funders. The site includes a helpful [User Guide](#) that you can review to better understand the data and terms used.

Purpose

This guide is designed to introduce you to how the EITC Interactive works, what information is available, and how you can use the data to support your tax credit outreach campaign.

NOTE

Information provided in this guide is based on Brookings' updated EITC Interactive for Tax Years 2011 and later. Data from Tax Years 1997 to 2010 are available upon request by emailing NHolmes@brookings.edu, or through the [older version](#) of the EITC interactive.



NAVIGATING BROOKINGS' EITC INTERACTIVE

The EITC Interactive allows you to view tax return data based on three categories: (1) Tax Year; (2) Geography Type; and (3) State.

STEP 1: CHOOSE A "TAX YEAR."

STEP 2: PICK A "GEOGRAPHY TYPE."

There are eight options to choose from, as shown in Figure 1.

STEP 3: SELECT YOUR "STATE."

Now you are ready to download data based on your preferences. For example, choosing "2012" as the "Tax Year" and "County" under "Geography Type" produces data for all counties within your selected state for 2012.

STEP 4: CLICK THE BOX THAT SAYS "DOWNLOAD DATA FILE (CSV)."

Once you click the download box a dialog box will appear on the screen. Select the option to open the file. It will automatically open in your spreadsheet program.

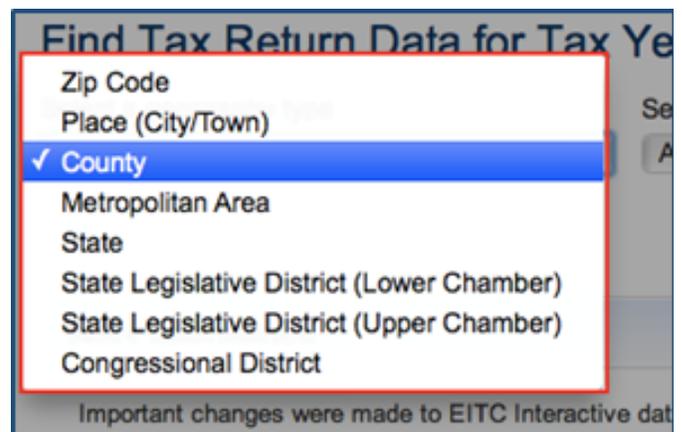


Figure 1: Choose between the eight "Geography Types" Brookings provides.

Note: You can select the "Geography Type" you prefer. The examples in this guide will use the "County" Geography Type.

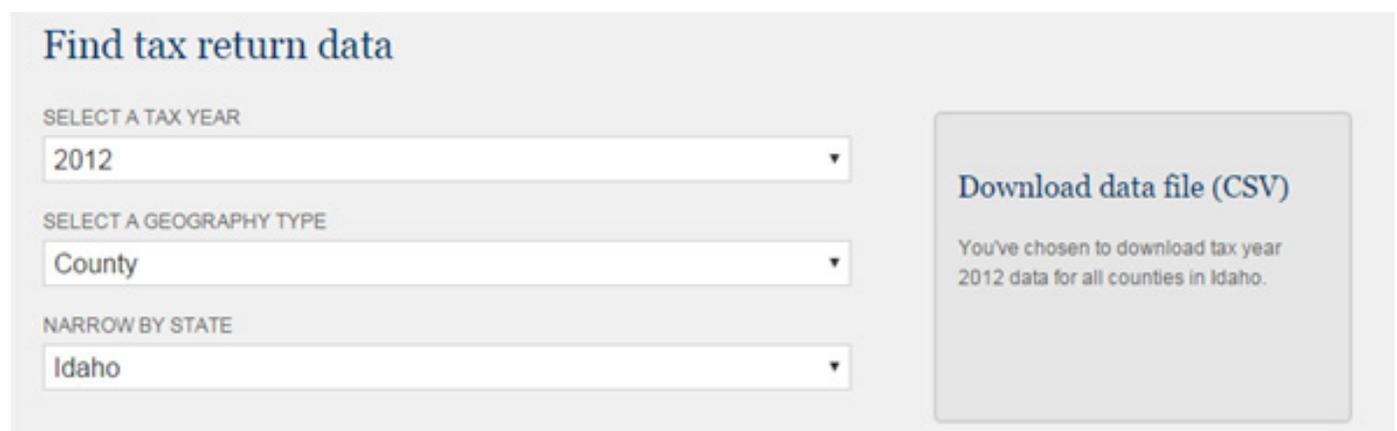


Figure 2: After selecting the Tax Year, Geography Type, and State, click the "download data file" box.

Note: Your web browser's settings may be set to "automatic download."

SAVING THE DATA FILE

Saving your data will ensure it is easily accessible to analyze.

Step 1: Go to "File" and click "Save As."

Step 2: Change the file type from "CSV" to the spreadsheet format you prefer to ensure any changes you make will be saved and can be formatted as you like.

TIP: For organizational purposes, rename your data file after the Geography Type, State, and Year you selected (i.e. "County_Idaho_2012").

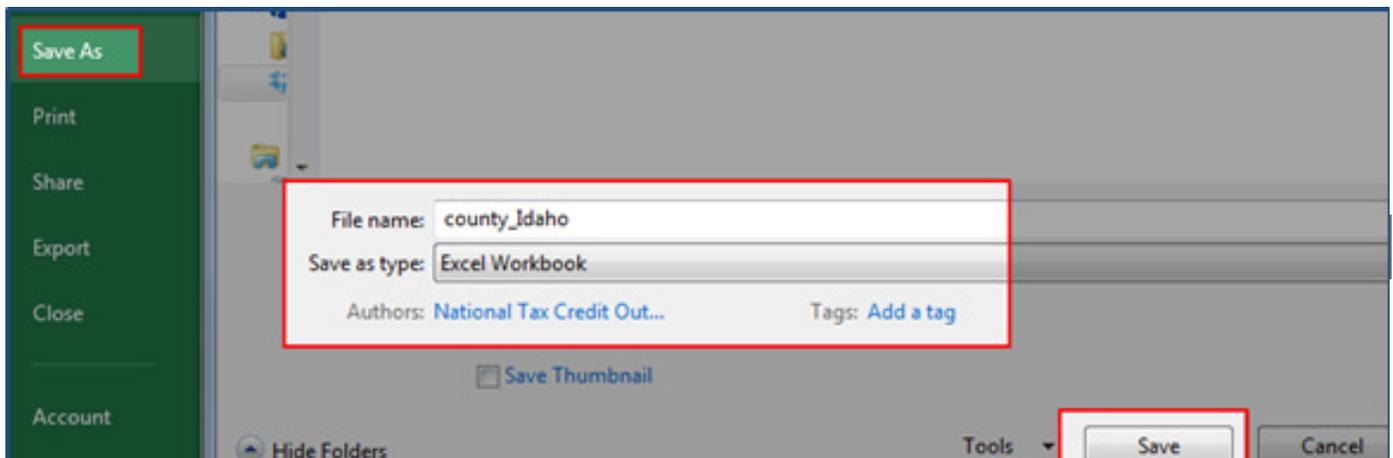


Figure 3: CSV files will not save any changes you make to the data, so you must change and save the file in a different format.

NOTE

Google Chrome does not provide users an option to open the file from the initial download screen. You must first save the data file to your computer as a CSV file, then change the file type as described above.



WORKING WITH THE DATA FILE

A quick glance at the spreadsheet will reveal many numbers and labels that may initially seem complex. Here are some tips for navigating the data.

- Understanding variable names:** The EITC Interactive returns the data file with abbreviated headings for each column. Column headers contains a prefix and a variable name. The prefix "t" represents all the tax returns filed, while the prefix "e" only counts returns claiming the EITC.
- You can find a complete list of variable names and their corresponding descriptions using the Brookings EITC Interactive [User Guide](#). Review all the different variable types and descriptions. This will help you to determine which categories are most important to explore. The table below contains a sample list of some variables that can be useful for tax credit outreach campaigns to evaluate.

Note: 2013 data variables include "13" as a suffix. There are also some differences in the abbreviations used.

| Variables | |
|--|---|
| Variable Name (2013 variable names differ slightly) | Variable Descriptions |
| return | Total number of returns |
| eic | Total number of returns receiving the EIC |
| ctc | Total number of returns receiving the CTC |
| actc | Total number of returns receiving the refundable portion of the CTC |
| ref | Total number of returns receiving a refund |
| self | Total number of returns that were prepared by taxpayer |
| paid | Total number of returns prepared by a paid preparer |
| vol | Number of returns prepared by volunteer orgs (VITA, Military VITA and TCE) |
| itin | Total number of returns files with an Individual Taxpayer Identification Number |

| COUNTY | CNTTIPS | TRETURN | TNEW | TEIC | TEICAM | TEIC | TEICAM |
|-----------|---------|---------|-------|--------|-----------|--------|-----------|
| Ada | 001 | 164,146 | 3,751 | 28,787 | ##### | 30,317 | ##### |
| Adams | 003 | 1,519 | 28 | 330 | 641,341 | 176 | 195,187 |
| Bannock | 005 | 32,207 | 879 | 7,715 | ##### | 6,220 | 8,722,343 |
| Bear Lake | 007 | 2,318 | 38 | 418 | 867,634 | 436 | 724,411 |
| Benewah | 009 | 3,654 | 83 | 817 | 1,892,637 | 619 | 750,051 |
| Bingham | 011 | 16,336 | 506 | 4,005 | 9,350,265 | 3,769 | 5,395,095 |

Figure 4: Use "AutoFit Column Width" to resize all columns in your spreadsheet to completely display the information in the cells.

- **Removing or hiding unwanted data columns:** Data files come populated with a comprehensive range of information, therefore you may want to delete or hide certain columns to more easily work with the data of interest. To hide unwanted columns:

Step 1: Right-click the header of the unwanted column.

Step 2: Click "Hide." (To unhide a column, double click the space between the columns where the hidden column would appear.)

- **Organizing the spreadsheet:** You may notice number signs (i.e. #####) in some of the cells in your data file (see Figure 4). Spreadsheet programs like Excel automatically do this to indicate that there is a number too large to display entirely in the cell. You can adjust the width of the columns to reveal the actual numbers.

For Excel:

Step 1: Hold Control + A (Mac: Command + A) to select all the data.

Step 2: Under the "Home" tab go to the "Cells" group, click "Format" and select "AutoFit Column Width." All the columns automatically adjust and the number signs disappear to reveal all the data.

- **Add a filter to a data column:** Filters allow you to sift through information quickly and efficiently. To add a filter to a column, select the entire desired column, including the first row with the header. Go to the "Data" tab at the top of Excel and then click "Filter."

Example: In Figure 5, a filter has been added to the "County" column. The "County" cell contains a dropdown menu, which allows you to choose the county you want to display. After you click on the dropdown arrow, check the "Select All" box to deselect all options. Then, check the boxes that match your desired search and select the "OK" button.

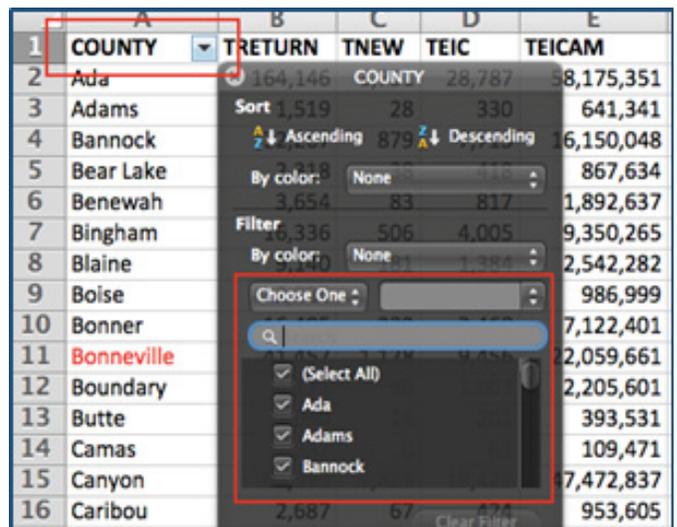


Figure 5: Add a filter to your data sheet.

CREATING DATA REPORTS

ABOUT YOUR AREA

Data from the Brookings EITC Interactive can be used in a variety of ways to support your tax credit outreach campaign. For example, the data may reveal information that will encourage your organization to expand the promotion of VITA sites or identify places to establish new VITA sites. Or, the data may provide important statistics to highlight in media releases. Most importantly, simply knowing more about tax credit refunds in your geographic location will allow you to create benchmarks for the future. The following information will help you understand how you can use the data to create informative reports about your geographic location.

DATA POINTS TO HIGHLIGHT

Below you will find a list of data points and their corresponding descriptions that you can use to gain a better understanding of your geographic location.

1 DETERMINE THE NUMBER OF TAX RETURNS FILED IN YOUR AREA WITH INCOME BELOW \$30,000

Calculating the number of tax returns filed in your area with income below \$30,000 can help provide a rough idea of the number of lower-income workers that may be eligible to claim the EITC. Remember, this number will include workers without children, many of whom may not even meet the lower income limit to claim the EITC (around \$14,000) or who are under age 25 and don't qualify.

2 CALCULATE THE PERCENTAGE OF TAX RETURNS WITH INCOMES BELOW \$30,000

Figuring the percentage of tax returns with income below \$30,000 will allow you to gain an understanding of how much of the overall population in your geographic area lives at a lower-income level. Is this high or low compared to other areas in your state? This is the main target group to receive VITA services and nearly all eligible filers who do not claim the EITC are in this group.



3 CALCULATE THE PERCENTAGE OF FEDERAL TAX RETURNS THAT CLAIMED THE EITC

Determining the percentage of tax returns that claim the EITC will help you identify patterns of EITC participation in your area. You can compare this to the statewide percentage or to the rate in other counties. You can look at the rate in the cities and towns within a county to see if EITC claims are concentrated in particular areas.

4 DETERMINE HOW MANY EITC FILERS HAD INCOMES BELOW \$30,000

Assessing how many EITC filers had incomes below \$30,000 may help you approximate how many tax filers in your area are missing out on claiming the EITC.

5 DETERMINE THE PERCENTAGE OF EITC FILERS WHO HAD INCOMES BELOW \$30,000

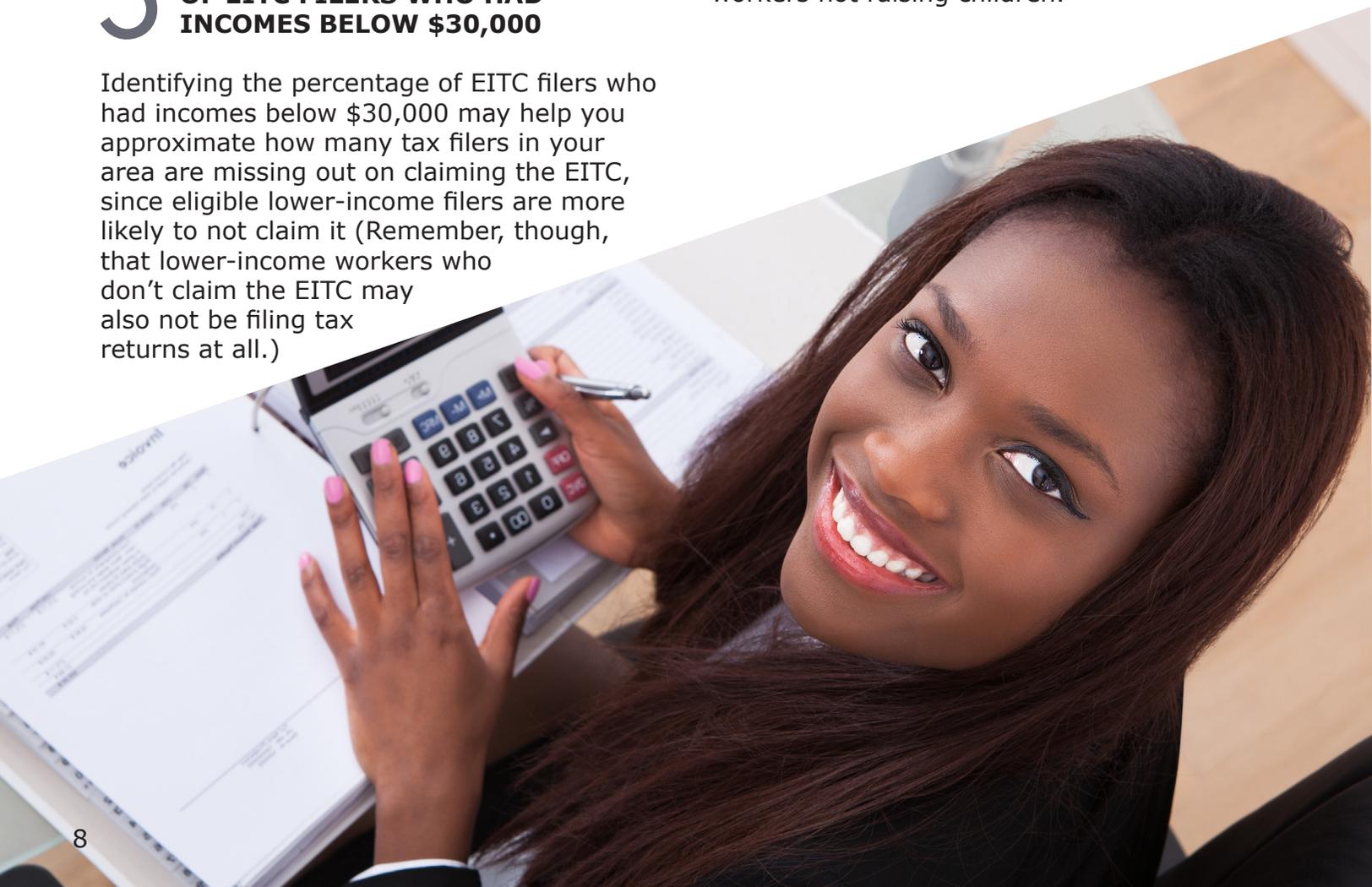
Identifying the percentage of EITC filers who had incomes below \$30,000 may help you approximate how many tax filers in your area are missing out on claiming the EITC, since eligible lower-income filers are more likely to not claim it (Remember, though, that lower-income workers who don't claim the EITC may also not be filing tax returns at all.)

6 CALCULATE HOW MANY TAXPAYERS WITH INCOMES BELOW \$30,000 DID NOT CLAIM THE EITC

You can now estimate how many tax filers with incomes below \$30,000 did not claim the EITC. As noted above, they may not all qualify, but you can use this number to estimate further, based on your knowledge of your community.

7 DETERMINE THE AVERAGE EITC CLAIMED IN YOUR AREA

This can help you explain how valuable the EITC is to workers in your area and show the value of the EITC to those eligible workers not claiming it. Comparing the average EITC in your area to the statewide average, or the average in other communities, can provide insight to whether EITC recipients in your area are lower or higher income or more or less likely to be workers not raising children.



8 CALCULATE THE PERCENTAGE OF TAX RETURNS THAT WERE FILED BY PAID PREPARERS

Determining the percentage of all tax returns that were filed by paid preparers will help you understand how prevalent the use of commercial tax preparation is overall in your area.

9 CALCULATE THE PERCENTAGE OF EITC TAX RETURNS THAT WERE FILED BY VOLUNTEER PROGRAMS, SUCH AS VITA AND TCE

Use this number to compare the percentage of volunteer prepared returns statewide or in nearby counties to get a picture of how much room for growth there may be.

10 CALCULATE THE PERCENTAGE OF EITC TAX RETURNS THAT WERE FILED BY PAID PREPARERS

Comparing the percentage of EITC tax returns that were filed by volunteer programs to the percentage of all tax returns filed by paid preparers will help you gauge whether EITC filers are more or less likely than other taxpayers in your area to use paid preparers.



DATA POINT REFERENCE SHEET

This chart lists equations for each of the previous data points. Once you've calculated the data points of most importance to your outreach efforts, you can prepare a data summary report.

| Data Point | | Formula | Example: Bonneville County, Idaho |
|------------|--|---|---|
| 1 | Tax returns filed with income below \$30,000 | tagi0+ tagi5+ tagi10+ tagi15+ tagi20+ tagi25 = Data point #1 | (3,835)+(3,684)+(3,735)+(3,493)+(2,932)+(2,450)= 20,129 |
| 2 | Percentage of tax returns with incomes below \$30,000 | (tagi0+ tagi5+ tagi10+ tagi15+ tagi20+ tagi25)/ treturns * 100 = Data point #2 | (20,129/41,457) * 100 = 49% |
| 3 | Percentage of federal tax returns that claimed the EITC | eeic/treturns = Data point #3 | (9,456/41,457) * 100 = 23% |
| 4 | Percentage of federal tax returns that claimed the EITC | eagi0+ eagi5+ eagi10+ eagi15+ eagi20+ eagi25 = Data point #4 | (936) + (1,443) + (1,707) + (1,234) + (986) + (926) = 7,223 |
| 5 | Percentage of EITC filers with incomes below \$30,000 | (eagi0+ eagi5+ eagi10+ eagi15+ eagi20+ eagi25)/ ereturns = Data point #5 | (7,223/9,456) * 100 = 76% |
| 6 | Taxpayers with incomes below \$30,000 that did not claim the EITC | Subtract #4 from #1 = Data point #6 | 20,129 - 7,223 = 12,906 |
| 7 | Average EITC claimed in your area | eeicam/eeic = Data point #7 | \$22,059,661/9,456 = \$2,333 |
| 8 | Percentage of tax returns that were filed by paid preparers | (tpaid/treturns) * 100 = Data point #8 | (20,747/41,457) * 100 = 50% |
| 9 | Percentage of EITC tax returns that were filed by volunteer programs | (evol/ereturns) * 100 = Data point #9 | (726/9,456) * 100 = 7.7% |
| 10 | Percentage of EITC tax returns that were filed by paid preparers | (epaid/ereturns) * 100 = Data point #10 | (4,683/9,456) * 100 = 50% |

Note: Variables for 2013 data may differ slightly.

USING DATA POINTS TO CREATE A DATA SUMMARY REPORT

Now that you are familiar with some data points, you can compile a data report that summarizes the financial make up of your geographic location. Data summary reports are an excellent way to present data to your organization, public officials, and the community at-large. There is no right or wrong way to develop your data summary report. You may choose to incorporate the data points mentioned above, or choose from the other variables provided by the Brookings EITC Interactive. In addition, including information from other credible resources may enhance the effectiveness of your report. Below you will find a data summary report on Bonneville County, Idaho for tax year 2011. Aside from the Brookings data, the data summary report below contains statistics from federal and state resources. When using data points in your report, you may want to use footnotes or endnotes as a way to cite your data.¹

CASE EXAMPLE: BONNEVILLE COUNTY, IDAHO

Data Summary Report

Bonneville County is located in the eastern region of Idaho that borders Wyoming. Areas outside of the county's major urban center, Idaho Falls, can be classified as rural.² With a population of 106,684, it is ranked as the fourth largest county in the state.³ The Idaho Department of Labor lists "trade, utilities and transportation" as major job sources.⁴ Bonneville County is also noted as a health care and retail hub. Census data from 2007-2011 show that 11 percent of persons in Bonneville County live below poverty level.

A total of 41,457 federal tax returns were filed in Bonneville County. Forty-seven percent of these federal tax returns, or 20,129, had incomes below \$30,000. Twenty-three percent of federal tax returns claimed the EITC. Of those who claimed the EITC, 76 percent had incomes below \$30,000. Approximately 12,906 taxpayers with incomes below \$30,000 did not claim the EITC.

In 2011, 9,456 tax returns claimed the EITC. The sum of EITC refunds in Bonneville County was more than \$22 million. Countywide, the average EITC claimed was \$2,333, slightly higher than the statewide average of \$2,186. Fifty percent of all tax returns in Bonneville County were filed by a paid preparer.

¹ To create a Footnote or Endnote, (1) Place the cursor in the document where you want to insert the note. (2) Click on the "References" tab in Microsoft Word. (3) Select "Insert Footnote" or "Insert Endnote" depending on where you want to place your references. (4) Word will automatically format the note and you can type in the reference.

² http://www.ers.usda.gov/datafiles/Rural_Definitions/StateLevel_Maps/ID.pdf

³ <http://quickfacts.census.gov/qfd/states/16/16019.html>

⁴ <http://labor.idaho.gov/publications/lmi/pubs/bonnevilleProfile.pdf>

Volunteer programs, such as VITA and TCE, prepared 2,807 tax returns in Bonneville County, or six percent of all returns – about 726 of these were EITC returns. Statewide, volunteer organizations prepared three percent of all tax returns and three percent of EITC returns.

Fewer than 20 percent of all tax filers claimed the ACTC, whereas 64 percent of filers claiming the EITC also claimed the ACTC. Among EITC filers, the average ACTC was \$1,500.

Putting the Data Summary Report into Practice

Demographic and fiscal information can help you determine where your community stands and how to proceed to set realistic goals for outreach and VITA services in your area. For example, the percentage of returns filed by volunteer programs in Bonneville County is twice the statewide percentage. Would an appropriate goal be to increase the overall number served, to increase the number of EITC eligible families served, or to look at neighboring counties to see if there is greater need to boost services there?

Nearly 13,000 tax filers earning less than \$30,000 in Bonneville did not claim the EITC, which is larger than the total number of EITC claims in the county. What does Census data suggest about the proportion of those earning under

\$30,000 who are families with children, or very low-income individual workers, compared to those not raising children who earn more than the EITC income limit but less than \$30,000? Does there appear to be a segment of lower-income families who don't claim the EITC? Are there themes or commonalities among eligible non-claimant workers not raising children? The data points above can help you formulate strategic outreach approaches different groups of workers.

CLOSING

This case example illustrates how you can use analyzed data to help advance your tax credit outreach campaign and present the need for outreach. Data from the Brookings Institution's EITC Interactive can be used to set outreach goals, write funding proposals, or help inform the public about your community's financial state and opportunities for growth. Depending on your campaign, this may be a good research project for a graduate student or community organizer to conduct.

Email questions about this guide to:
eitcoutreach@cbpp.org.

