



For Immediate Release  
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**Children's Defense Fund to Low-Income Taxpayers:  
KEEP YOUR EARNED INCOME TAX CREDIT!  
DON'T GET CHEATED BY THE RAPID REFUND SCAM!**

**Albany County loses \$2.3 million to commercial tax preparers  
2 in 5 EITC families in Albany County take Refund Anticipation Loans**

As millions of New Yorkers do their last-minute filing of tax forms to meet the April 15 deadline, the Children's Defense Fund has two urgent messages for the public and the media. **"We need to get the word out to low-income workers,"** said Donna Lawrence, executive director of the New York office, "that 1) they are eligible for the Earned Income Tax Credit and 2) rapid refunds offered by tax preparers through Refund Anticipation Loans end up costing taxpayers hundreds of dollars each for a refund they could have gotten within a few weeks at no cost."

A new report from the Children's Defense Fund, "Keeping What They Earned: Working New Yorkers and Tax Credits," documents how while the Earned Income Tax Credit (EITC) puts money back into the pockets of many low- and moderate- income working New Yorkers, many families are losing out on money owed to them because they are paying ridiculously high fees to commercial tax preparers. Working New Yorkers lost an estimated \$182 million in Earned Income Tax Credit funds to commercial tax preparers and national banks in 2003.

"One of the reasons that so many low-income workers turn to paid tax preparers is that the forms necessary to claim the EITC are complex," said Lawrence. "Worse, many of these same low-income workers are persuaded to purchase a Refund Anticipation Loan (RAL), actually paying interest rates up to 700 percent on a refund they could have gotten in 10 days for no interest." The report found that the average EITC recipient in New York spends an average of \$165 on tax preparation and an additional \$100 if they take a RAL—money that could be going to feed and clothe their children.

Marian Wright Edelman, President of CDF, said, "Taking money out of the pockets of working families in the form of excessive interest rates and fees paid through RALs is unjust and indefensible. There are currently nearly 1 million children living in poverty in the New York."

CDF is also calling for the passage of the Refund Anticipation Loan Act in Albany to provide greater oversight of this offering by tax preparers. It is sponsored by Banks Committee Chair Cathy Nolan in the Assembly (A.1971) and Liz Krueger in the Senate (S.3618).

**Families that earned less than \$35,000 in 2004 may be eligible for the EITC. If you think that you might have missed out on this important credit, the Children's Defense Fund urges you contact the IRS at 1-800-TAX-1040 and ask how to amend your taxes.**

For more data, see attached tables or call Rachel Cooper at 212-697-2323.

Dollars Lost to Tax Preparation and RALs by EITC Filers in New York State

Area	EITC Dollars Lost to Tax Prep Fees	Rate of Requested RALs by EITC Filers	EITC Dollars Lost to RAL Fees	Total EITC Dollars Lost (Tax Prep & RAL Fees)	Child Poverty Rate
<b>New York State</b>	<b>\$149,283,585</b>	<b>26.1%</b>	<b>\$33,089,220</b>	<b>\$182,372,805</b>	<b>20.0%</b>
Albany	\$1,760,220	41.5%	\$598,770	\$2,358,990	13.2%
Allegany	\$352,110	27.3%	\$81,270	\$433,380	20.1%
Bronx	\$20,403,240	33.9%	\$5,665,860	\$26,069,100	41.7%
Broome	\$1,414,710	33.0%	\$397,080	\$1,811,790	16.5%
Cattaraugus	\$790,845	27.0%	\$158,940	\$949,785	19.4%
Cayuga	\$596,640	32.7%	\$148,680	\$745,320	15.4%
Chautauqua	\$1,182,390	27.0%	\$255,060	\$1,437,450	20.3%
Chemung	\$726,000	41.6%	\$246,690	\$972,690	19.0%
Chenango	\$503,745	28.2%	\$111,510	\$615,255	20.2%
Clinton	\$506,385	26.3%	\$124,470	\$630,855	16.0%
Columbia	\$422,895	26.9%	\$95,130	\$518,025	12.3%
Cortland	\$398,475	36.2%	\$109,980	\$508,455	17.1%
Delaware	\$349,800	25.0%	\$72,000	\$421,800	19.2%
Dutchess	\$1,311,255	25.7%	\$274,950	\$1,586,205	9.2%
Erie	\$6,275,280	33.0%	\$1,722,600	\$7,997,880	17.6%
Essex	\$233,310	24.6%	\$48,690	\$282,000	15.3%
Franklin	\$384,450	24.5%	\$86,490	\$470,940	18.2%
Fulton	\$590,700	38.2%	\$168,210	\$758,910	18.4%
Genesee	\$399,300	23.4%	\$79,380	\$478,680	9.3%
Greene	\$339,735	22.4%	\$61,470	\$401,205	16.3%
Hamilton	\$27,060	16.2%	\$3,960	\$31,020	11.3%
Herkimer	\$452,100	27.0%	\$103,140	\$555,240	16.1%
Jefferson	\$990,000	34.9%	\$288,450	\$1,278,450	17.4%
Kings	\$25,629,615	24.1%	\$5,700,060	\$31,329,675	34.2%
Lewis	\$212,850	22.3%	\$37,080	\$249,930	17.0%
Livingston	\$402,105	25.3%	\$81,090	\$483,195	10.2%
Madison	\$504,405	29.3%	\$113,580	\$617,985	11.4%
Monroe	\$5,422,725	36.5%	\$1,535,040	\$6,957,765	15.9%
Montgomery	\$507,210	38.7%	\$139,950	\$647,160	17.4%
Nassau	\$6,042,795	21.0%	\$1,043,820	\$7,086,615	6.0%
New York	\$13,175,745	22.2%	\$2,600,820	\$15,776,565	32.1%
Niagara	\$1,577,400	33.0%	\$416,880	\$1,994,280	15.3%
Oneida	\$1,793,385	32.4%	\$479,610	\$2,272,995	19.4%
Onondaga	\$3,261,720	32.1%	\$838,350	\$4,100,070	15.8%
Ontario	\$610,830	27.4%	\$136,980	\$747,810	9.6%
Orange	\$2,057,715	31.5%	\$523,890	\$2,581,605	15.1%
Orleans	\$331,155	24.1%	\$65,430	\$396,585	16.1%
Oswego	\$1,045,935	32.9%	\$268,560	\$1,314,495	17.8%
Otsego	\$420,750	20.1%	\$74,700	\$495,450	17.2%
Putnam	\$257,565	10.1%	\$21,330	\$278,895	4.7%
Queens	\$19,048,095	15.4%	\$2,673,450	\$21,721,545	19.2%
Rensselaer	\$1,043,295	38.6%	\$314,370	\$1,357,665	12.5%
Richmond	\$2,570,535	18.7%	\$370,530	\$2,941,065	13.5%
Rockland	\$1,355,145	17.4%	\$203,220	\$1,558,365	14.6%
St. Lawrence	\$832,920	27.7%	\$193,590	\$1,026,510	21.8%
Saratoga	\$971,355	31.7%	\$256,410	\$1,227,765	7.0%
Schenectady	\$1,133,880	39.5%	\$346,590	\$1,480,470	16.1%
Schoharie	\$225,060	23.5%	\$42,210	\$267,270	14.5%
Schuyler	\$159,390	32.6%	\$42,570	\$201,960	17.5%

Area	EITC Dollars Lost to Tax Prep Fees	Rate of Requested RALs by EITC Filers	EITC Dollars Lost to RAL Fees	Total EITC Dollars Lost (Tax Prep & RAL Fees)	Child Poverty Rate
Seneca	\$244,860	32.4%	\$63,450	\$308,310	15.8%
Steuben	\$806,190	32.8%	\$217,530	\$1,023,720	19.3%
Suffolk	\$7,406,850	20.6%	\$1,248,210	\$8,655,060	7.1%
Sullivan	\$786,225	39.2%	\$219,330	\$1,005,555	22.8%
Tioga	\$396,330	32.8%	\$104,490	\$500,820	10.9%
Tompkins	\$453,915	25.2%	\$105,480	\$559,395	11.5%
Ulster	\$1,235,355	26.9%	\$258,750	\$1,494,105	13.6%
Warren	\$497,970	30.4%	\$123,120	\$621,090	14.5%
Washington	\$516,615	30.7%	\$125,010	\$641,625	12.8%
Wayne	\$748,770	30.3%	\$173,070	\$921,840	11.3%
Westchester	\$4,704,480	25.1%	\$932,580	\$5,637,060	11.3%
Wyoming	\$282,810	21.3%	\$46,530	\$329,340	12.2%
Yates	\$198,990	29.8%	\$48,780	\$247,770	21.9%
<b>Major Cities</b>					
Albany	\$1,165,395	46.3%	\$432,540	\$1,597,935	29.2%
Buffalo	\$4,926,405	37.9%	\$1,537,380	\$6,463,785	38.7%
New York City	\$80,808,585	23.8%	\$16,998,120	\$97,806,705	30.3%
Rochester	\$4,560,765	40.6%	\$1,404,900	\$5,965,665	37.9%
Syracuse	\$2,207,865	37.4%	\$646,290	\$2,854,155	35.4%

SOURCE: IRS SPEC Return Data Base, Tax Year 2002 Return Information (July 2004). Poverty figures are from U.S. Census Bureau, Census 2000. Calculations by CDF.

New York State Zip Codes with the Highest Rate of RAL Usage by EITC Filers

Zip Code, City	EITC Dollars Lost to Tax Prep Fees	Rate of Requested RALs by EITC Filers	EITC Dollars Lost to RAL Fees	Total EITC Dollars Lost (Tax Prep & RAL Fees)	Child Poverty Rate
<b>New York State</b>	<b>\$149,283,585</b>	<b>26.1%</b>	<b>\$33,089,220</b>	<b>\$182,372,805</b>	<b>20.0%</b>
12307, Albany	\$146,685	63.4%	\$63,270	\$209,955	57.9%
12206, Albany	\$282,315	57.6%	\$120,960	\$403,275	39.7%
14611, Rochester	\$360,690	56.5%	\$143,550	\$504,240	42.8%
14608, Rochester	\$240,900	55.9%	\$94,500	\$335,400	54.5%
12202, Albany	\$185,955	55.9%	\$79,650	\$265,605	49.7%
12210, Albany	\$137,775	55.1%	\$59,490	\$197,265	36.3%
14605, Rochester	\$312,675	54.9%	\$121,680	\$434,355	54.0%
14211, Buffalo	\$491,040	52.9%	\$195,120	\$686,160	44.3%
14204, Buffalo	\$155,100	51.3%	\$63,360	\$218,460	44.4%
14212, Buffalo	\$232,980	51.3%	\$88,470	\$321,450	55.1%
14208, Buffalo	\$171,930	51.2%	\$68,400	\$240,330	41.3%
12207, Albany	\$33,165	51.2%	\$13,950	\$47,115	68.5%
14621, Rochester	\$677,160	50.9%	\$244,350	\$921,510	43.4%
14619, Rochester	\$243,210	50.5%	\$88,290	\$331,500	22.4%
14613, Rochester	\$258,555	50.5%	\$94,050	\$352,605	32.5%
14215, Buffalo	\$699,930	49.9%	\$267,030	\$966,960	32.3%
12180, Troy	\$454,905	48.3%	\$160,020	\$614,925	N/A
11212, Brooklyn	\$1,420,980	45.9%	\$559,710	\$1,980,690	48.3%
13202, Syracuse	\$80,850	45.2%	\$28,530	\$109,380	56.9%
13205, Syracuse	\$278,190	45.1%	\$95,940	\$374,130	36.9%

SOURCE: IRS SPEC Return Data Base, Tax Year 2002 Return Information (July 2004). Poverty figures are from U.S. Census Bureau, Census 2000. Calculations by CDF.