

why

partner

with

us?



The many tax benefits available today can serve as the starting point to greater prosperity for businesses, employers, employees and the communities in which they live. Who better to turn to for quality tax help than the IRS? You can join national and local businesses and organizations that are partnering with IRS-SPEC to benefit their businesses, their employees and their communities.

COMING TOGETHER TO STRENGTHEN BUSINESSES, EMPLOYERS, EMPLOYEES AND THEIR COMMUNITIES.

IRS-SPEC has cultivated a network of partnerships with national and local organizations and businesses that share our mutual goal in three key areas:

- Promoting awareness and understanding of tax issues
- Preparing tax returns for low- to moderate-income people
- Encouraging personal asset building and self-sufficiency through tax incentives.

INTERESTED?

Together we can strengthen your business, your employees' lives, and your community by sharing ideas and resources to reach our common goals.

To learn more about partnering opportunities with IRS-SPEC:

- Visit our web site at www.irs.gov then type in Keyword: Community Network
- Or send an e-mail to partner@irs.gov.
- Or write to:

**Internal Revenue Service (IRS)
Stakeholder Partnerships, Education and
Communication (SPEC)
Stop #50
401 W. Peachtree Street, N.E.
Atlanta, Georgia 30308-3539**

All of the publications referenced in this brochure are available electronically from the Internal Revenue Service at www.irs.gov.



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Internal Revenue Service

www.irs.gov

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*coming
together to
Strengthen*

employers
employees
communities



Join thousands of employers nationwide that are partnering with the Internal Revenue Service — Stakeholder Partnerships, Education and Communication (IRS-SPEC) organization — to make a difference in their bottom lines, their employees' lives, and their communities.

WHAT'S INSIDE?

Tax benefits that can make your business, your employees, and your community stronger.

Businesses and Employers: Look for tax benefits that can offset your hiring and training cost, and increase your opportunities for stabilizing your workforce.

Employees: Learn about tax benefits available to your employees that effectively increase their take home pay at no costs to you, the employer. An increase in employee pay can have an impact on productivity and reduce turnover rates. Employees can:

- Meet day-to-day expenses.
- Find increased opportunities for participation in benefit plans.
- Feel good about working for you.

Communities: Find out how your community gains when you increase the number of eligible employees who are accessing tax credits and deductions.

- The Earned Income Tax Credit (EITC) alone paid out billions of dollars since 1975. Eligible employees spend this money in local communities throughout the country.
- A number of communities have created coalitions to tie tax credits like the EITC to asset-building opportunities, i.e. financial literacy, bank accounts, home ownership, or other self-sufficiency programs established in their cities.

EMPLOYER BENEFITS

You may qualify for some of the following tax credits and/or deductions which can reduce your costs of doing business when hiring eligible employees.

- **Work Opportunity Credit and Welfare to Work Credits:** These credits merged as of 12/31/2006. By hiring and retaining qualified individuals, you can receive tax savings (credit) for each eligible employee. Form 8850 is required to be filed within 28 days of hiring qualified individuals..
- **Empowerment Zone Employment Tax Credit:** This tax credit is available for hiring employees that live and work within a designated empowerment zone. The credit is available for each eligible employee. See IRS Publication 954, Tax Incentives for Distressed Communities.
- **Disabled Access Credit:** As a small business, you may be entitled to a credit for the costs incurred in making your business accessible to individuals with disabilities. See IRS Publication 535, Business Expenses.
- **Architectural/Transportation Tax Deduction:** As a small business, you may be entitled to deduct (rather than capitalize) expenses incurred to remove physical, structural, and transportation barriers for people with disabilities. See IRS Publication 535, Business Expenses.

EMPLOYEE BENEFITS

Some tax benefits impact you directly...others have an indirect impact. The following tax benefits that may be available to your employees make it easier for them to meet day-to-day expenses, such as child care, transportation, and education costs. This additional income may also increase participation in your benefit programs e.g. profit sharing, 401K, insurance, etc.

- **Earned Income Tax Credit (EITC):** is a refundable credit that can be worth thousands of dollars for working families with low to moderate wages. This credit is received at the time employees file their federal income tax return. See IRS Publication 596, Earned Income Credit.
- **Advance Earned Income Tax Credit (AEITC):** Employees eligible for EITC can elect to receive a part of their EITC payment in each paycheck throughout the year rather than waiting until they file a tax return. The employer adds the credit (money) to their paycheck at no cost to the company. See IRS Publication 596, Earned Income Credit.
- **Child Tax Credit:** is a partially refundable credit for each qualifying child. This credit is received at the time employees file their federal income tax return. See IRS Publication 972, Child Tax Credit.
- **Free Tax Return Preparation and Assistance:** Provide a "free" benefit to your employees by letting them know where they can receive free tax assistance in your community.
- **Volunteer Income Tax Assistance (VITA):** Community volunteers prepare and file tax returns for low and moderate income families.
- **Community-Based Partnerships:** Local organizations operate VITA sites that include links or assistance with asset-building opportunities within their community.

Find the nearest VITA site locations by calling the IRS at 1-800-829-1040.

COMMUNITY IMPACT

Increasing the number of eligible employees accessing tax benefits and asset building opportunities could have a substantial impact on the community in which you and your employees live.

- **Publicize tax credits that bring dollars and other resources into your community**
 - Although EITC is a multi-billion dollar program that has paid out billions of dollars since 1975, a significant number of eligible individuals are not receiving the credit.
 - According to the Federal Reserve, 22% of families with less than \$25,000 in income lack a bank account of any kind. (May 2002 Brookings Institution Study).
- **Support community efforts**
 - Reach out to your employees and your community with tax information.
 - Eliminate the costs your employees incur to obtain the EITC and other tax benefits by supporting VITA sites that provide free tax assistance.
 - Encourage your employees to volunteer at a VITA or Community site.
 - Support employees and your community by partnering with or adopting a VITA or community site in your city.

Organizations throughout the country are coming together with the IRS-SPEC to form coalitions. These coalitions are working hard to increase the financial health of local families and their communities.