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**NOTICE**

TO: All Licensed Insurance Producers and Other Interested Parties

FROM: Insurance Commissioner Dave Jones

SUBJECT: Request that Producers Educate Consumers about the Availability of the State and Federal Earned Income Tax Credit

DATE: January 21, 2016

Background

Your customers may qualify for a cash back tax credit! Did you know there's a new California tax credit for working families? It's called the California Earned Income Tax Credit (CalEITC) and it's modeled after a federal tax credit that also gives back money to working families.

With the combined federal and state earned income tax credits, some families can get up to \$6,000. That's money they can use for housing, utilities, groceries, and insurance premiums!

The California 2015-16 Budget included the state's first-ever California Earned Income Tax Credit (EITC), that puts money back in the pockets of working Californians.

The new state EITC and the existing federal EITC are available to many California working families with incomes up to \$53,267 (federal) and \$13,870 (state). Eligibility depends on income and family size.

Many Californians are unaware of the federal and state earned income tax credits. As a producer, you are a trusted source of financial advice for your clients and prospective clients.

I am asking you and all insurance producers to inform clients and prospective clients about the state and federal EITC, especially those clients who you believe may be income eligible.

CalEITC4Me

CalEITC4Me is a public-private partnership to spread awareness of the first-ever state EITC to put more money into the pockets of hundreds of thousands of Californians. CalEITC4Me's goals are to ensure that the entire \$380 million allocated by the state for the CalEITC reaches an estimated 600,000 eligible families and that more people file for the federal EITC when they file their taxes. Add to that the \$1.8 billion which Californians annually leave unclaimed from the federal EITC, for a total estimated \$2.3 billion available for Californians. If we can get Californians to claim the state and federal EITC not only will they benefit but so will the overall economy as those dollars will typically be spent here in California.

To determine whether your clients are eligible for the state and/or federal EITC and to learn more about the program, visit CalEITC4Me's website at: <http://caleitc4me.org/>

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A color brochure is available for download at:

<https://www.ftb.ca.gov/individuals/faq/net/cal-eitc-brochure.pdf>

Free tax preparation for seniors and low-income Californians is available through the Franchise Tax Board's Volunteer Income Tax Assistance (VITA) program at:

<https://www.ftb.ca.gov/individuals/vita/>

Income-eligible Californians may also be eligible for the state-sponsored California Low-Cost Automobile Insurance Program at:

<https://www.mylowcostauto.com/>

Thank you for assisting Californians with their insurance needs. And thanks in advance for helping make Californians aware of the state and federal EITC.