

Hennepin residents claim tax benefit

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An initiative to promote the earned-income tax credit to county residents is helping more families claim the benefit, according to a recent report provided to the county board.

In 2003 the Hennepin County Board realized that many low-income working families were not taking advantage of a tax credit designed especially for them. County staff were directed to ensure better use of this program among eligible residents.

The effort has paid off, with a gain of approximately \$190 million over the first seven years of the initiative resulting in total tax credit payments to low-income working families in Hennepin County of approximately \$650 million over this period.

Earned Income Credit Tax returns in Hennepin increased 10 percent between 2008 and 2009 alone -- from 61,827 to 68,170 returns. Dollar amounts of credits received by Hennepin residents increased from \$112 million in 2008 to \$130 million in 2009. The average tax credit is about \$2,200.