

# **Working Families Tax Credit**

## **Listening Sessions Report**

**May 2022**

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## BACKGROUND

The 2021 Washington State Legislature passed ESHB 1297 which expands eligibility and funding for the Working Families Tax Credit (WFTC) program. This program is intended to support Washington's moderate-to-low income working families and individuals.

The Department of Revenue hosted four online listening sessions in November 2021 to hear from community stakeholders about key process areas for the Working Families Tax Credit (WFTC) program. The input received helped inform the draft rule for the administration of the program.

In May 2022, the Department hosted two online listening sessions. The purpose of these listening sessions was to provide community stakeholders the opportunity to review and provide feedback to the draft rule. All responses received from these listening sessions became part of the official rulemaking file.

### LISTENING SESSIONS APPROACH

Online listening sessions were held via Zoom (meeting) and included a facilitator, host, note-taker, and a Spanish interpreter. In the registration process, participants were instructed to select their preferred language or contact us for additional assistance or requests. The Department was prepared to present the listening sessions in five languages in addition to American Sign Language (ASL).

Listening sessions were promoted through newsletters, stakeholder contacts, social media, and the Department of Revenue's website.

During these sessions, stakeholders were invited to provide their comments and questions both verbally and via chat. These listening sessions were not recorded. For members of the community unable to attend the listening sessions, a survey was also available that included the same questions and themes as shared in the listening sessions.

Online listening sessions were held:

- Wednesday, May 4 at 3 p.m.
- Thursday, May 5 at 2 p.m.

Total attendees: 37

Attendance rate: 43%

Total comments collected: >120

Listening sessions and the survey were offered in the following languages:

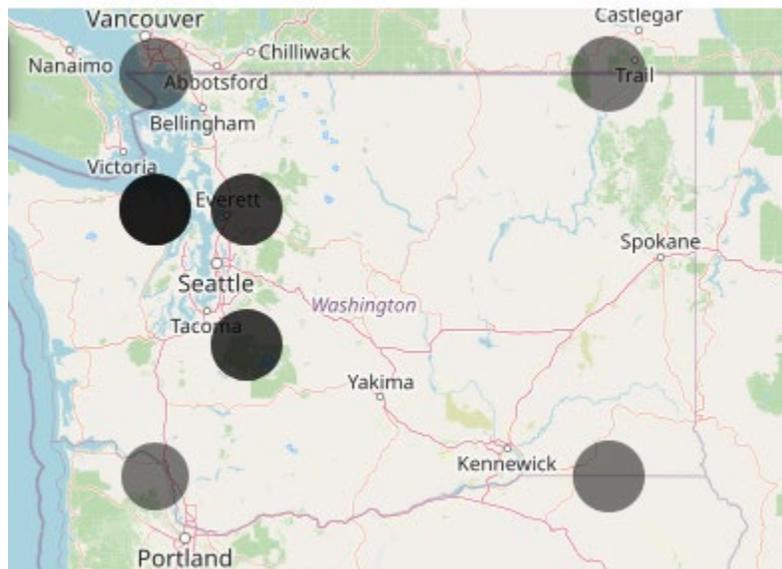
- Chinese
- English
- Korean
- Spanish
- Vietnamese

There were no requests from the registrants for additional languages. Each listening session did have a Spanish interpreter in attendance, who simultaneously interpreted the presentation in Spanish. Meeting attendees had to select their language channel, English or Spanish, at the beginning of the event.

### **SURVEY RESPONSES**

We received 12 responses to the English language survey and no responses to the survey translated in Chinese, Korean, Spanish, or Vietnamese. Geodata locations for the survey respondents were:

- 11 from Washington.
- 1 from Oregon.



*SURVEY RESPONDENT GEODATA LOCATIONS IN WASHINGTON.*

# KEY FINDINGS

## ELIGIBILITY REQUIREMENTS: SSN AND ITIN

***To be eligible for the Working Families Tax Credit, applicants (and their qualifying children) must have a valid Social Security Number (SSN) or a valid Individual Taxpayer Information Number (ITIN).***

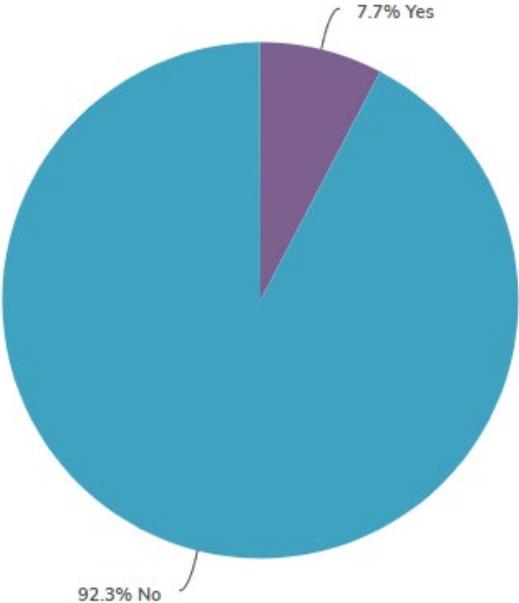
***Do you have any concerns about providing a valid SSN or ITIN for yourself and your qualifying children?***

### Feedback themes

Participants in both listening sessions had a broad range of questions in response to this question. Questions ranged from the subject of ITIN numbers to the filing process and dates to qualifying criteria around claiming children. The survey responses reflect that 92% (11 of 12 respondents) do not have any concerns with submitting the required SSN or ITIN.

### Survey responses

*Do you have any concerns with providing a valid SSN or ITIN for yourself and your qualifying children?*



PERCENT BY YES/NO

## **SSN or ITN comments from listening sessions and survey**

- What is an ITIN number?
- Please clarify documents we would require for proof of ITIN renewal.
- Will there be a link to more information on the WFTC application regarding renewing an ITIN? I have a concern regarding people being able to find what they need to renew their ITIN if they realize the need during the application process. Will staff be able to provide direction to applicants?
- Do we need to provide proof of residency for ITIN holder dependents? Or can they live abroad as long as the taxpayer resides in Washington?
- Can you be in the process of applying for the renewal before applying for WFTC?
- I think additional support is important considering many families may not have them for children or are unaware they can get them for children.

## **Additional comments from listening sessions**

- How does this apply on the kids? I have one that is six and another that is eight.
- What is the fifth criteria for eligibility requirements?
- Date to provide the application – December 31st?
- So, the taxes will already be paid? Meaning, the first time to file the application will be in 2023 for taxes paid in 2022.
- This process must be done prior to the tax returns?
- What does it mean for the end of the year? If the application is due in February or March, what is the end of December?
- Is the filing process done through the IRS or how does this work
- When parents take turns claiming children, how does it work? Especially when the child is primarily with one parent?
- Expressed that this is an exciting tax credit for the state. Inquiring on the choice for naming it “Working Family Tax Credit” which she is in agreement with, but with the statement of lower income families. Curious about the choice of verbiage of “low income” understanding the eligibility for the application will be low income, but what will the overall perception of the general public when they think it is “public benefits” when they do not think they are “low income”.
- Please confirm the type of copy DOR will accept (for example a scanned copy as a .pdf or .jpeg).
- December 31 the year of the credit or the year prior?

## ELIGIBILITY REQUIREMENTS: FEDERAL INCOME TAX RETURN

***To be eligible for the WFTC, applicants must properly file a federal income tax return for the period for which they are claiming the credit. A properly filed income tax return means it fulfills all requirements for the federal government to process the return.***

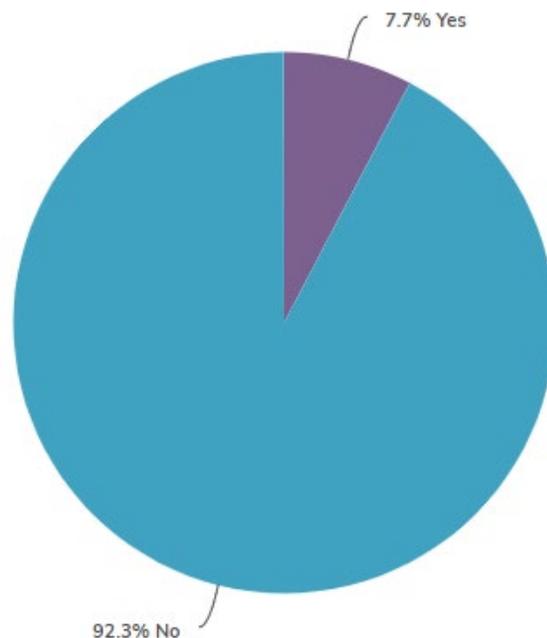
***Do you have any concerns with providing a copy of your federal income tax return?***

### **Feedback themes**

Responses in both listening sessions shared a few common themes in the feedback. A few participants questioned if there would be an option to utilize IRS tax filer data to pre-complete application for WFTC application. Responses also encouraged the Department to consider simplified filing. A few respondents questioned if any fees would be applied, by either the Department or tax software when applying for this credit.

### **Survey responses**

*Do you have any concerns about providing a copy of your filed federal income tax return?*



PERCENT BY TYPE OF YES/NO

## Federal Income Tax Return listening session and survey comments

- If someone has a physical copy of their tax return but not a digital copy would they need to send the application packet via mail or would they have an online option (assuming they don't have scanning services)?
- There are low-income individuals who are under the income thresholds to file the federal tax return. If they don't feel comfortable filing will there be assistance?
- Is requiring a copy of the federal income tax return a statutory requirement or a rule?
- For someone who submits an application, do they have to provide their full tax return to get the WFTC or can they just attest they filed the federal return? Suggest being clear that the Department needs all pages of the federal return.
- For efiled returns applicants can provide a form 9325 which indicates the accepted submission of the return. What proof do applicants need for paper filed federal returns?

## Additional comments from listening sessions

- Is there a fee involved when applying for the credit
- If filed online through TurboTax website, will they require a fee?
- Learned that filing paper applications it is taking a long time to process, over a year and a half. Will the online application be better?
- When you say "We" is that with the IRS?
- Tomorrow at 5:00, will that be the same presentation as today?
- What is the penalty of not filing the WFTC application?
- Do you anticipate working with tax software companies like turbo tax for filing? or will this be a separate return filed through the DOR website?
- Hello, this is Joseph Lachman with Asian Counseling and Referral Service and the WFTC Coalition. I need to leave the zoom now for another meeting, but I just want to emphasize that DOR should accept the broadest possible set of options for proving identity, such as student ID cards. The range of options should be as broad as possible for proving residency as well. Based on my own experience with the WA Immigrant Relief Fund, whenever possible we'd strongly prefer self-attestation. If the state already has information on an individual such as income level (or info is in a tax return), they should not have to provide this info again.
- Proof of dependents should also be kept to a minimum and use as much information as possible that has already been provided through other forms such as a tax return.
- We hope that there will be generous forgiveness for persons who make errors on their application. Federal EITC has a very low rate of intentional fraud compared to genuine errors.
- Thank you! I will try to attend tomorrow to explain more of my comments, thank you.
- Will there be an option to use the IRS Data Retrieval Tool if one has already filed their taxes for the period for which they are claiming their credit?
- Will WFTC use IRS filer data to pre-complete application for WFTC application?
- Does "Properly Filed" mean the federal return is accepted by the IRS?  
The term is confusing and should be clarified.

- Vita is a great resource and urge the department to consider simplified filing. Provide tools to filers who have barriers to file the application.
- Can we have a simplified filing?
- Yes, thank you Emily. Thinking the same thing on express/simple filing.
- I've received many comments/concerns that this information will be used for future state income tax.
- It would be helpful for applicants to utilize the IRS Data Retrieval Tool in lieu of submitting a copy of their tax return.

## ELIGIBILITY REQUIREMENTS: RESIDENCY

***To be eligible for the WFTC, applicants must live in Washington, which means they were physically present and lived in Washington for at least 183 days during the year for which they are claiming the credit.***

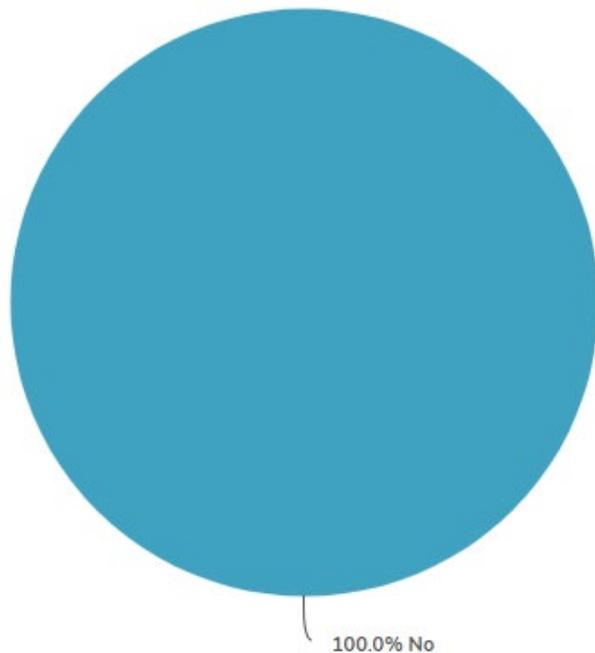
***Do you have concerns about being able to establish residency based on this standard?***

### **Feedback themes**

Responses in both the listening session and survey appeared consistent in that there was not elevated concern with the establishment of Washington residency to meet this criterion. Responses indicated that there was minimal questioning for clarification.

### **Survey responses**

*Do you have concerns about being able to establish residency based on this standard?*



PERCENT BY YES/NO

## **Residency comments from the listening session and survey**

- Does your status of a US citizen matter for the residency requirement such as green card holders? Is the department going to move forward requiring documentation for this or allow an attestation?

## **Additional comments**

- Do you have materials that citizens can provide to the public to get the word out?
- What considerations will be taken into account to ensure people experiencing homelessness – who may not have stable addresses – are able to access the credit?
- What if they don't have an address?

## ELIGIBILITY REQUIREMENTS: PROOF OF RESIDENCY

***Do you have concerns about providing one or more of the following documents as proof of residency?***

- ***Washington driver's license.***
- ***Washington ID card.***
- ***Utility bills.***
- ***Landlord statements.***
- ***Rental agreement or lease.***
- ***Mortgage statements.***
- ***Public benefits verification letters or statements.***
- ***Community-based organization letters of recommendation, vouchers, or testimonials.***
- ***School records.***

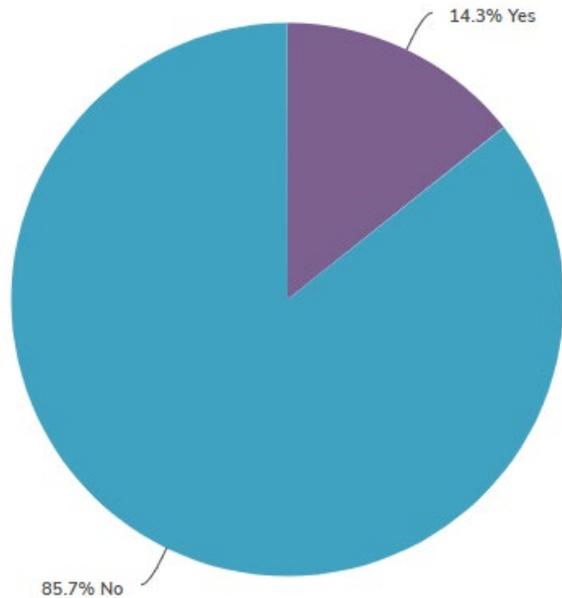
### **Feedback themes**

Responses in both the listening session and survey shared suggestions for the Department to take into consideration when requesting documents to proof residency. Overall, there was not an overwhelming amount of concern in providing these listed documents. Examples of documents to be considered:

- Letter from health care provider.
- Letters from other agencies or community-based organizations.
- Work with OSPI so that they are aware of the possibility of school records requests for this intended purpose.

## Survey responses

*Do you have concerns about providing one or more of the documents as proof of residency?*



PERCENT BY YES/NO

### Proof of residency comments from listening sessions and survey

- Most people experiencing homelessness are receiving some form of benefits from DSHS and should be able to provide a letter of some sorts or go to their case worker for a letter.
- When you say filed 1040, do you mean just the first 2 pages or are you looking for the additional schedules as well? Answer in the chat is fine.
- Would these only be required if the department has concerns?
- For utility bills would someone need to provide 183 days' worth, or would one suffice?
- For renters, rental agreements or utility bills are often difficult to reach or rental agencies may be difficult to work with.
- Suggest including letters from other agencies or community-based organizations that are also verifying residency, so that individuals do not have to continue providing the same information to multiple agencies or organizations.
- Please define community-based organization.
- I think letter from a health care providers office might be useful.
- I think working with OSPI, so they are aware of the possible school records request and it doesn't come out of the blue/is hard for parents to know how to request, is very important.

## ELIGIBILITY REQUIREMENTS: PROOF OF RESIDENCY OTHER DOCUMENTATION

***An applicant who is experiencing homelessness may not have access to the documents listed on the previous slide to prove residency.***

***Do you have concerns about providing a residency attestation letter from a community organization? What other types of documentation should we consider accepting to show proof of residency?***

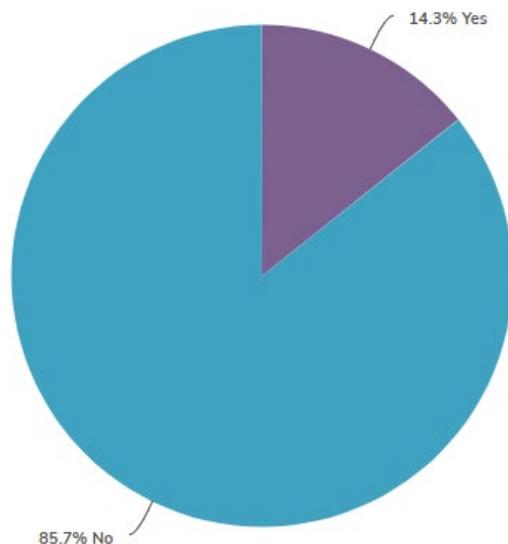
### **Feedback themes**

Responses were positive that there is not concern with providing an attestation letter from a community organization to demonstrate the residency requirement has been met. Suggested ideas around/for other types of documentation the Department to consider:

- Documentation from schools should be considered.
- Those experiencing homelessness *should* be able to obtain a letter from DSHS or their case worker.
- Concern around those who are no longer residing in same community as when they filed.

### **Survey responses**

*Do you have concerns about providing a residency attestation letter from a community organization to demonstrate the residency requirement has been met?*



PERCENT BY YES/NO

### **Other documentation comments from listening sessions and survey**

- Most people experiencing homelessness are receiving some form of benefits from DSHS and should be able to provide a letter of some sorts or go to their case worker for a letter.
- Unclear how someone is supposed to get verification if no longer in the same community at the time of filing or if they're supposed to carry some kind of document on their person if they change locations.
- Add schools to this. Some OPSI will be able to attest to this situation as well.

### **Survey responses**

*Other than an attestation letter from a community organization, what other types of documentation should the Department of Revenue consider accepting from an applicant experiencing homelessness that would show proof of residency?*

### **Listening session and survey comments**

- Religious organizations seem to sponsor programs, centers, etc.
- Many people experiencing homelessness use P.O. Boxes for mailing either themselves or through a Community based org. I would recommend making sure P.O. boxes are acceptable for proof of residency.

## APPLICATION REQUIREMENTS: PHOTO ID

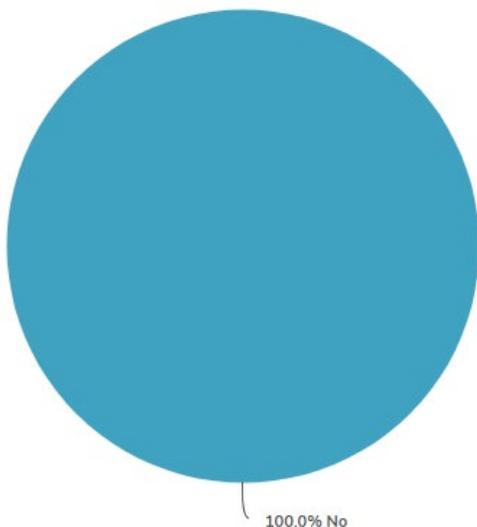
***Do you have concerns about providing a copy of a photo ID issued by federal, state, tribal, or local government agency?***

### **Feedback themes**

Responses were favorable that there was not concern in providing a copy of photo ID issued by a federal, state, tribal, or local government agency.

### **Survey responses**

*Do you have concerns about providing a copy of a photo ID issued by a federal, state, tribal, or local government agency?*



PERCENT BY YES/NO

### **Photo ID comments from listening sessions and survey**

- I do not but I recognize that many homeless individuals may have difficulty with this requirement.
- What if Kids don't have a photo ID?
- Does that include student IDs?
- What about IDs issued by community organizations?

## PROGRAM ADMINISTRATION: HEARINGS

***If an applicant disagrees with a decision made by the Department, they can request a hearing. These hearings are currently offered by phone, video conference, and in-person at our Tumwater and Seattle locations? Which method(s) do you prefer for hearings?***

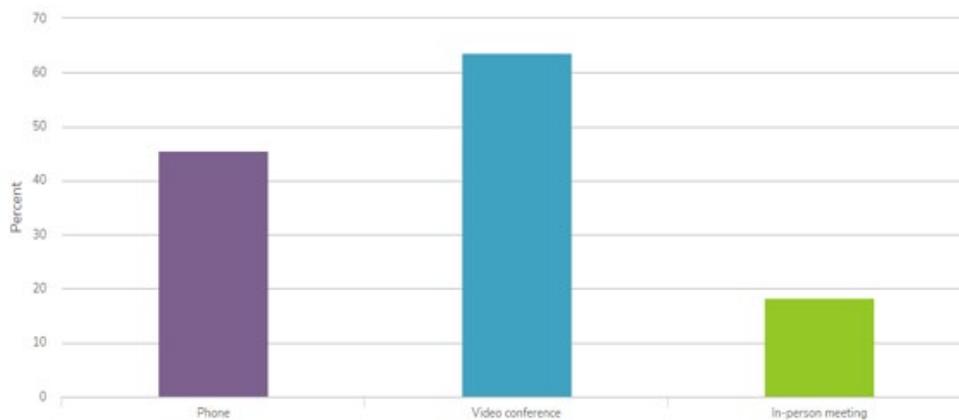
- A. Phone**
- B. Video conferencing**
- C. In-person meeting**

### Feedback themes

Most respondents when polled in the listening sessions or in the survey indicated that one would prefer a video conference or phone appointment over an in-person meeting.

### Survey responses

*Which methods do you prefer for hearings?*



### Hearing method comments from the listening sessions

- ALL! I like options. Depends on the complexity of the issues and the convenience of attending in person.
- Is there any opportunity for forgiveness instead of repayments?
- Is there a way to have all 3? I think both in person and virtual option is necessary.
- I would want all options, but phone is most critical.
- Is there a way to have all 3 and what is beneficial to them? I think both in person and virtual option is necessary.
- +1 to all options being available though!
- B (*video conference*) is preferable, but more options is always better.
- But 1 should also be available for \*A (*same person from bullet point above*).
- All being available is best.

- And I assume if your app is denied or an error is found, you will contact the applicant with a clear link to contest the decision?
- I agree with Emily, the way that over paid unemployment benefits have been treated in WA is really punitive for people who are already low income, and I would urge the department to consider forgiveness as the policy. It's critical to make sure not to punish people for administrative errors that are no fault of their own.
- +1 to forgiveness.

## PROGRAM ADMINISTRATION: IN-PERSON HEARING LOCATIONS

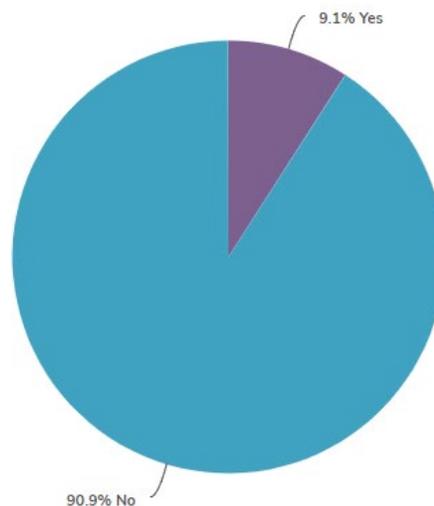
***If the Department were to offer in-person hearings at one of our eastern Washington locations, would you use this service?***

### **Feedback themes**

The listening session feedback reflects that many would consider using an eastern Washington location for an in-person hearing if it were to be offered. However, the survey feedback shows that the interest to use this service, if it were available, is not as popular.

### **Survey responses**

*If the Department were to offer in-person hearings at one of our eastern Washington locations, would you use this service?*



PERCENT YES/NO

### **In-person hearing comments from the listening sessions and survey**

- Spokane
- Spokane
- Spokane
- I would not as I do not live near there.
- Yakima.
- Yakima or Spokane for clients who aren't able to be here today.
- All E WA locations.

## PROGRAM ADMINISTRATION: PUBLIC HEARINGS CONCERNS

***During the recorded public hearing we will review the rule in a more formal setting. We will also collect your full name and any comments you provide for the official rulemaking.***

***If you plan to attend the public hearing, do you have any questions or concerns regarding this event?***

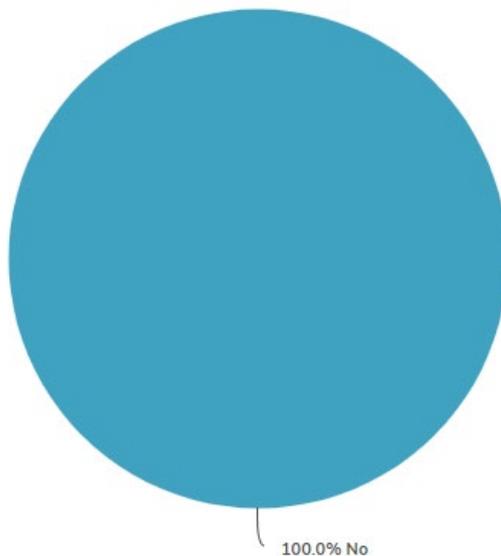
### **Feedback themes**

Listening session feedback was favorable in requesting that materials were to be made available in advance of the public hearing, so that attendees would have time to review and know what to expect. Common themes of concern/request for the public hearing were:

- Material provided in advance of public hearing, possibly posted to website.
- Practice Accessibility: visuals and text provided to accompany material presented verbally. Also include ASL.
- Educate attendees on how and when to make a public comment.

### **Survey responses**

*If you plan to attend the public hearing, do you have any questions or concerns regarding this event?*



PERCENT BY YES/NO

## **Public Hearing comments from listening sessions**

- Last public hearing there were no visuals, can we have some in the future? Such as a slide deck or anything else that would help process information visually.
- Can you provide what they should expect in the public hearing, such as a one pager.
- (Share) On the website. Potentially send it when the person registers for the hearing.
- It would be helpful for those materials to be made available a couple weeks prior to the public hearing as well, so folks have time to process
- Interpreters including ASL.
- I think making sure that there is a lot of text provided on the screen, not just spoken. If possible to have every detail that is verbally given, to also be written down on the screen

## **Additional comments**

- Time.
- Through Dept of Commerce CBO programs.
- It would be helpful for folks to know how to give public comment, when to make it, etc.

## HOW CAN WE REACH YOU?

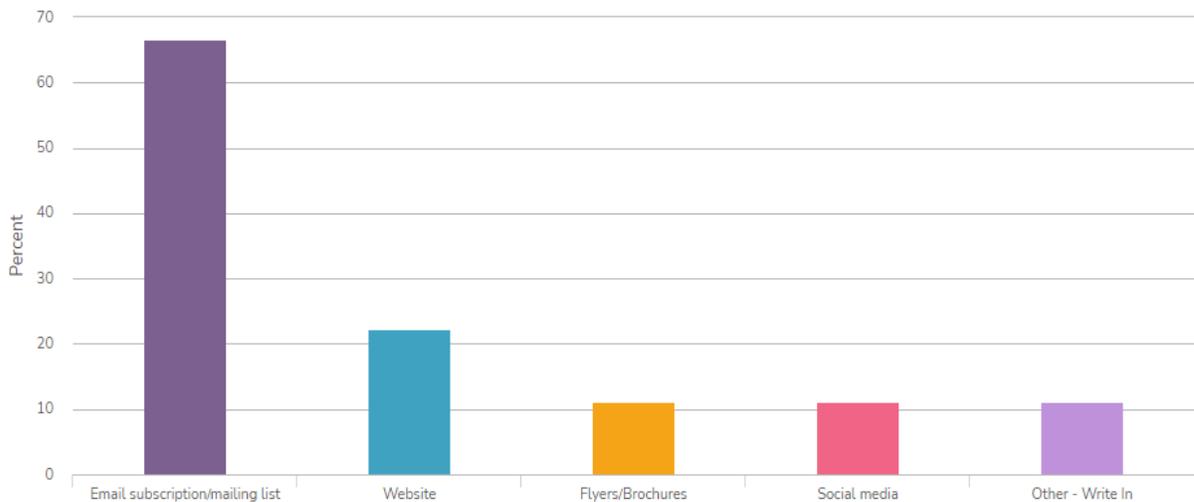
***How would you like to stay informed about the status of this draft rule?***

- A. *Email subscription/mailling list***
- B. *Website***
- C. *Community organization***
- D. *Flyers/Brochures***
- E. *Social media***
- F. *Other?***

### **Feedback themes**

Email was the majority response with more than half of the participants requesting an electronic form of communication to be kept informed about the status of the draft rule.

### **Survey responses**



### **Listening session and survey comments**

- Email is great or direct communication with the WFTC coalition.
- Asset Building Coalitions across the state.
- provide a clear place to sign up for emails on the WFTC page on the DOR website - email is best but right now it's kind of difficult to find the place to sign up.