

# Dollars and \$en\$e

Issue 2

December, 2006

## FREE INCOME TAX PREPARATION AND FILING SITES

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Audubon Area Community Services	1800 W 4th St.	Thurs Noon—4 p.m.	Thurs Jan. 11
Brescia University	Lechner Grad Center 7th & Frederica St	Tues, Wed, Thurs 4:30-7:p.m.	Tues. Jan. 16
Blessed Sacrament Chapel	604 Sycamore Street	Wednesday Noon-6p.m.	Weds. Jan. 17
Daymar College	3361 Buckland Square	Fridays Noon-8:00p.m. Saturday 10:00 a.m.-4:00 p.m.	Friday Jan. 12
OCTC Downtown Campus	1501 Frederica St.	Tues, Thurs. 1:00 p.m.-5:00 p.m.	Thurs. Jan. 18
Seven Hills Baptist Church	1709 Alexander Ave Corner at 18th Street	Mondays 5:00 p.m.-8:00 p.m.	Monday Jan. 22
St Pius X Catholic Church	3512 E 6th St. Right on Hwy 60 East	Fridays 9:00 a.m.-Noon Saturdays 10:00 a.m.-1:00 p.m.	Friday Jan. 19



### YOU'VE EARNED IT!

*If your household income was less than \$38,348 in 2006, you may be eligible to receive the Earned Income Tax Credit (EITC).*

*The credit could pay you as much as \$4,536, based on your earnings and family situation. You may also qualify for other credits and refunds.*



## THE GREAT CREDIT REPORT MYSTERY?

Nearly all of one have one, but most of us aren't sure what's in it. Yet it affects our lives in many ways. It's the credit report, and

MOMENTIVE ©Credit Counseling Service says there's really nothing mysterious about it.

A credit report is simply a concise record of your payment history with businesses that have granted you credit. Your report contains 3 types of information: identification, public records, and payment histories. The Identification section includes your name, current and past addresses, your Social Security number, and information about current and past jobs. The public records section tells whether you've declared bankruptcy within the past 10 years, or if there

has been any court judgments against you. The third section lists all your credit accounts and loans for the past 7 years, describing how much credit you were given, the size of your payments, whether you've paid on time, and your balance. Credit grantors regularly report this information to local and national credit reporting agencies. Accurate negative credit information stays on your report for 7 years, while bankruptcies will appear for 10 years.

Because this information is important, MOMENTIVE recommends that you review their credit reports annually to ensure it is accurate.

You can obtain your free credit reports on-line, by telephone, or in

writing.

- [www.annualcreditreport.com](http://www.annualcreditreport.com)
- 1-877-322-8228
- A copy of the Annual Credit Report Request Form may be downloaded from the Federal Trade Commission website and must be included with the written request.
- [http://www.ftc.gov/bcp/online/edcams/credit/docs/fact\\_act\\_request\\_form.pdf](http://www.ftc.gov/bcp/online/edcams/credit/docs/fact_act_request_form.pdf)
- Annual Credit Report Requesting Service, P.O. BOX 105281, Atlanta, GA 30348-5281

**"In 2 years, Sue has received her associate's degree, is working full-time, and has purchased her own safe affordable home.**

## IDA & EITC...IT MADE A DIFFERENCE

Good money management, use of resources, and a dream for a safe home became a reality for a mom and three children in 2006. Sue, a victim of domestic violence, felt trapped by her circumstances and decided there had to be a way out. She left her abusive partner, moved into public housing, enrolled in school, and started working part-time.

As Sue struggled along, a fellow student referred her to OASIS (domestic violence shelter) just as two pilot projects were being implemented. Sue qualified for both projects. She enrolled in the Indi-

vidual Development Account (IDA) for home ownership. The program would match Sue's savings 2:1 up to \$2,000 (\$2,000 = \$6,000) provide financial literacy and help her with repairing her credit.

Sue then utilized the second project by having her taxes done at one of the VITA free tax sites. She saved over \$200 in fees. With her tax refund and Earned Income Tax Credit, she was able to pay off her vehicle, purchase a washer and dryer, and deposit into her IDA. In two years, Sue has her associate's degree, is working full-time, and has purchased her own safe

affordable home.

If you or someone you know is interested in an IDA savings account, applications are now being accepted. The IDA savings can be used for: home ownership, education, or entrepreneurship. For more information on the IDA program, please contact Tonya or Linda at

685-0260.

## TAX REFUNDS CAN NOW BE SPLIT-DEPOSIT

In the 2007 tax filing season, the IRS will launch a new option for tax filers—called "split refund" - that will enable filers receiving a refund through direct deposit to arrange for a part of it to go directly into a savings account.

This is designed to make it easier for tax filers receiving substantial refunds, such as from EIC, to take advantage of savings and

asset development opportunities time they file their return.

The split-refund is used only to directly deposit refunds into a savings or other account.

Be sure to bring:

- Current year's tax package and/or label
- All forms, W-2's and 1099's

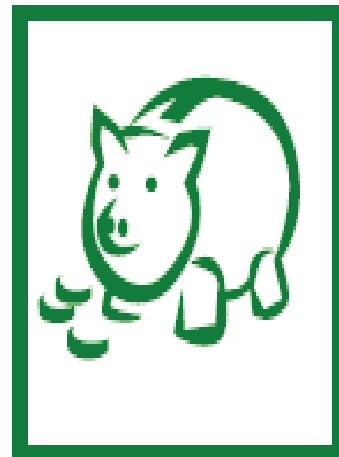
- Information on all other income
- Information for all deductions and credits
- Copy of last year's tax return
- Proof of account (s) for direct deposit ...(a voided check)
- SS cards for self, dependents, and spouse if applicable
- Don't forget to bring checking and/or savings account information.



## \$\$\$ TAKE IT TO THE BANK \$\$\$

- If only I hadn't wasted that \$1.99 every week at the check out line to buy that cute little magazine with all the nifty ideas on clutter busters and diets. Let's see, \$ 1.99 times 52 weeks. Total money that could be in savings= \$103.48. Take that to the bank.
- I love those delicious cold coffee drinks when I go in to pay for my gas - I take a couple of them back to work with me for a quick pick me up *and* I am worth a few little treats now and then. Let's see...\$1.69 each, times 2, is \$ 3.38... \$ 3.38 times 52 weeks is \$175.76. Take that to the bank.
- I am such a slave to soft drinks... come on, admit it, most of us are. Twelve packs are on sale? Stock up! It's only \$12.00 extra on the tab. Buy ONE can or 16 ounce bottle of soda a day at \$1.00 or \$1.19 respectively, and you end up minus \$365.00 or \$434.35. Plus about 10 extra pounds to add insult to injury. Take either one of those figures to the bank. (Deposit the money, not the pounds. Wouldn't that be nice if we **could** deposit all of our extra weight at the bank too?).
- If only I had brown-bagged my lunch or gone home for lunch. "Hey," you say "It's only \$3.50, and I need a good lunch to get through the afternoon." \$3.50 times 5 days a week, times 50 weeks (if you are lucky enough to have the luxury of paid vacation) Total spent in one year = \$875.00. WOW. Take that to the bank.
- Many years ago, when I was very young, my father lent me the money to buy a car. He told me he would take off \$25.00 dollars a month if I promised to put it into a savings account.) He suggested that I continue to keep contributing to this little nest egg after the loan was paid off, *just in case*. Over the course of, oh...say 20 years, that total would come out to be \$6,000.00 **without** interest, or without rolling it into an IRA. That's one I really wish I had taken to the bank.

Kass Clark-Ashby



## KEEPING SPENDING IN CHECK DURING THE HOLIDAYS

Whether it's buying presents, decorating for the holidays, hosting parties, or traveling to see relatives, consumers spend more money in the three month period before New Year's than at any other time of year. Too many people get carried away with spending during the holidays, get themselves into debt, and it can take years to get out of it.

To keep your cheer intact before and *after* the holidays:

- Prepare a spending plan and put limits on each category—gifts, clothing, donations,
- decorations, food and so forth. Prioritize within each category.
- Find creative alternative to purchased gifts. A coupon for your services, such as babysitting, house cleaning, yard work. Or, give homemade items, family photos, pre-stamped envelopes to help an older person keep in touch.
- Track your spending. Use only one credit card, or better yet, pay with a debit card or cash—and don't use your bank's overdraft "protection".
- Start some inexpensive traditions— a group-cooked meal, a park or museum outing, a school or church pageant, or a few volunteer hours at a homeless shelter or other worthwhile organization.
- Don't fall for delayed-payment gimmicks. If you can't afford an item in December, will you really be able to pay for it in March? Say "no" when the credit card companies offer to let you "skip" a payment; their payoff for their holiday generosity is the big bucks you'll pay them in interest later.

Source: University of Idaho Extension



## GET YOUR TELEPHONE EXCISE TAX REFUND

If you had a telephone anytime in-between 2003 through 2006, you and your family are entitled to a telephone tax refund. In general, anyone who paid the long distance telephone tax will get the refund on their 2006 federal income tax return. You can file your return at any of the free income tax preparation sites listed on the front of this newsletter. The amounts range from \$30 to \$60 and are based on the

number of exemptions claimed on the 2006 federal income tax return. The standard amounts are \$30 for a person filing a return with one exemption, \$40 for two exemptions, \$50 for three exemptions and \$60 for four or more exemptions. To get the standard amount, eligible taxpayers only need to fill out one additional line on their regular 2006 return. Remember even if you don't need to file an

income tax return, you can receive this refund by filing a special short form (Form 1040 EZ.T) which can be filed at no charge at the free income tax preparation site listed on the front page.

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## OWENSBORO-DAVIESS COUNTY ASSET BUILDING COALITION

**Catholic Pastoral Center  
600 Locust Street  
Owensboro, KY 42301**



**Earn it. Keep it. Save it.**

**National City**

 **Fifth Third Bank**

**BB&T**

### **Owensboro-Daviess County Asset Building Coalition**

- \* Audubon Area Community Services, Inc.
  - \* Blessed Sacrament Chapel
  - \* Boulware Center Mission
  - \* Brescia University
  - \* Catholic Charities
  - \* City of Owensboro Dept. of Community Development
  - \* Cliff Hagan Boys & Girls Club
  - \* Coalition for the Poor
  - \* Daymar College
  - \* Daviess Co. Fiscal Court
  - \* Family Resource & Youth Service Centers of Owensboro and Daviess County
  - \* Federal Reserve of St.Louis, Louisville Office
  - \* Girls, Inc.
  - \* GRADD
  - \* Help Office
  - \* Housing Authority of Owensboro
  - \* IRS
  - \* KY Dept of Community Based Services
  - \* Lawrence & Augusta Hager Educational Foundation
  - \* MOMENTIVE
  - \* OASIS
  - \* Owensboro Community & Technical College
  - \* Owensboro- Daviess Co. Ministerial Association
  - \* Owensboro Migrant Education Program
  - \* Public Life Foundation of Owensboro
  - \* River Valley Behavioral Health
  - \* Salvation Army
  - \* Seven Hills Baptist Church
  - \* The Volunteer Center
  - \* University of Kentucky Cooperative Extension Office
  - \* United Way of the Ohio Valley
  - \* Volunteer Income Tax Assistance Program (VITA)
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