



DCFS Tax Filing Service \$tacks Up Better than Most

As Generation Z comes of age, in 1990s-inspired fashion, young people agree that the reality of *adulting* — working summers, paying rent and filing taxes – bites.

A <u>recent survey</u> commissioned by Cash App Taxes indicates that 54% of Gen Z youth report experiencing severe stress over filing their tax returns, according to the technology website CNET.

Nineteen-year-old Emily, a former foster youth who works two jobs staffing special events and babysitting, can relate. After filing her taxes with a well-known tax preparation service, she recalls feeling confused and alone.

So last year, when her social worker told her about a tax preparation and filing service designed for foster youth, Emily wasted no time and made an

appointment. The Department of Children and Family Services (DCFS) \$tacks Pilot Program, which began in 2022, offers free, accessible tax services for current and former foster youth ages 18 to 24 through two partner organizations, the <u>Coalition for Responsible Community Development (CRCD)</u> and the <u>Community College Foundation (CCF)</u>.

"It was so easy!" Emily said. "[They] knew what to ask me, and I felt engaged. Everything was clear and straightforward." Emily went on to use the refund she received to cover her rent for a month.

Children's Services Administrator Jenny Serrano, who manages the \$tacks Program, explains that young people in foster care are often unfamiliar with income tax reporting obligations.

"Older youth in foster care are new to financial responsibility," Jenny said. "We know that many either don't realize that they need to file taxes, file incorrectly, or end up leaving a lot of money on the table that they could be getting back in tax refunds."

"Even a little bit of money can make all the difference for a young adult transitioning out of foster care," she added.

The average refund is about \$2,500, according to Jenny, who explained funds may cover costs related to education, housing, transportation or child care. Jenny, who spent time in foster care and transitioned out of the child welfare system at 18, understands firsthand the importance of a steady income and good money management habits, including filing taxes on time.

"I was already doing my own taxes by age 18. And it was empowering because understanding where I was economically gave me more confidence when making financial decisions," she said. "This program will help youth develop that same type of knowledge base, creating a strong foundation that they can rely on moving forward."

The \$tacks Program is a multi-agency endeavor developed by DCFS, CRCD and CCF in conjunction with <u>John Burton Advocates for Youth</u>.

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DCFS Director Brandon Nichols (left) — pictured with LA County Library Head of Marketing and Communications Jessica Lee: LA County Supervisor Holly Mitchell: and CSAC Chief Executive Officer Graham Knaus — was in attendance at a Los Angeles County Board of Supervisors (BOS) meeting in January where the BOS recognized the \$tacks Pilot Program and other 2023 CSAC Awards recipients.

The sites are staffed by IRS-certified volunteers who have specialized knowledge of applicable regulations and credits, such as the recently enacted <u>foster youth tax credit</u>. This ensures that youth not only file their taxes correctly but also maximize their tax refunds. In-person and virtual appointments are available, making the process efficient and convenient.

In its first year, \$tacks volunteers filed 101 tax returns and netted approximately \$256,000 in refunds. Last year, 309 tax returns were filed, and more than \$560,000 secured for current and former foster youth.

The program's success earned DCFS a 2023 Challenge Award from the <u>California State Association of Counties (CSAC)</u>, which recognizes innovative, solution-based initiatives developed by local governments.

Jenny and others hope the statewide recognition will help DCFS secure additional funding to continue the \$tacks Program.

Wondering if you or someone you know qualifies for the foster youth tax credit? Click here.

Report Suspected Child Abuse or Neglect to 800-540-4000

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