



**FOR IMMEDIATE RELEASE:**

Thursday, January 13, 2005  
Contact: Mayor's Press Office  
415-554-6131

\*\*\* PRESS RELEASE \*\*\*

**MAYOR NEWSOM LAUNCHES MAJOR NEW TAX CREDIT  
TO BENEFIT WORKING FAMILIES**

*San Francisco launches only local Earned Income Tax Credit in the country*

**San Francisco, CA** – Mayor Gavin Newsom today announced the launch of San Francisco's Working Families Credit. A local match to the national Earned Income Tax Credit, the second most successful anti-poverty program ever, the local Working Families Credit could benefit as many as 30,000 San Francisco families earning up to \$36,000 annually. The program is the only one of its kind in the country.

The Mayor was joined by Treasurer Jose Cisneros and H&R Block senior vice president Bernie Wilson. H&R Block is the Working Families Credit's largest sponsor, contributing \$1 million to the fund in December and making possible one of the city's most significant public-private partnerships ever.

Mayor Newsom, who campaigned on a pledge of creating a local EITC, said "The Working Families Credit will help San Francisco families make ends meet today, while saving for the future. This program is a giant step toward making the city more affordable for working families, so they can live and raise their children here."

The Mayor also acknowledged the unprecedented public-private cooperation that helped make today's launch possible. "The Working Families Credit is the product of a unique collaboration between the public and private sectors," said the Mayor. "The financial generosity of H&R Block, the creative talents of Group 1 and McCann-Erickson, as well as the incredible hard work of SF WORKS, were essential to making this possible."

Bernie Wilson, H&R Block senior vice president, echoed the Mayor's comments, saying "We are excited about establishing a working relationship with the city of San Francisco to help fund and develop this one-of-a-kind program. Together, we believe we can have a significant impact in the lives of many hard-working San Franciscans."

The program will be administered by Treasurer Jose Cisneros, who called it "an opportunity for hard-working families to get a leg up." "We've worked hard to get the program up and running, and we hope that all eligible San Franciscans take advantage of this opportunity," said Cisneros.

The Working Families Credit is an incentive to encourage more working San Franciscans to apply for the federal EITC. Last year, eligible San Franciscans left \$12 million in federal EITC monies unclaimed. The local program provides a direct cash payment to low-income, working San Francisco families with children. The \$6 million program is an innovative public/private effort that combines city and philanthropic dollars at a rate of 1-1. The city's commitment is capped at \$3 million, with \$1.5 million budgeted for FY 2005-2006, and \$1.5 million budgeted for FY 2006-2007.

Eligible families would receive payments based on a percentage of their federal EITC payment. At an estimated payout rate of 16% of EITC, the average payment would be \$240 for families with one dependent and \$360 for two or more dependents, with a maximum possible payment of \$673.

###