

Earned Income Tax Credit Filers Reflect High Poverty ZIP Codes for Female Headed Families

Nearly one half of tax filers in two Baltimore City ZIP Codes received an earned income tax credit (EITC) on their tax returns compared to about 1 in 7 filers for the State as a whole. Half of the female headed families with children under 18 in these two ZIP Codes are below poverty.

Five of the top 10 ZIP Codes with the highest concentrations of filers receiving the credit contained female headed families with children where at least four out of ten, and up to nearly six out of ten, of these families were below poverty. More than half of all of the families with children in eight of these ZIP Codes are headed by females. (See Table 1.)

Table 1. Poverty status for female headed families with related children for ZIP Codes with largest percentage of tax returns claiming EITC

ZIP Name	County	ZIP Code	Total Families w/ Rel.Children	Pct Families w/Rel. Children Headed by Females	Pct Female Headed Families w/ Rel. Children Below Pov
Franklin	Baci	21223	2,733	64.0	56.2
E. Baltimore	Baci	21205	1,908	72.6	48.8
Fishing Creek	Dorc	21634	34	0.0	NA
Druid	Baci	21217	4,497	70.6	50.0
Clifton	Baci	21213	3,489	70.7	38.1
West Baltimore	Baci	21216	2,060	66.0	36.8
Arlington	Baci	21215	6,821	57.8	41.8
Brooklyn *	Baci/AnneA	21225	4,692	52.3	52.9
Baltimore	Baci	21229	5,423	52.4	34.6
Princess Anne	Some	21853	1,046	41.7	38.3
Maryland			717,026	27.7	26.1

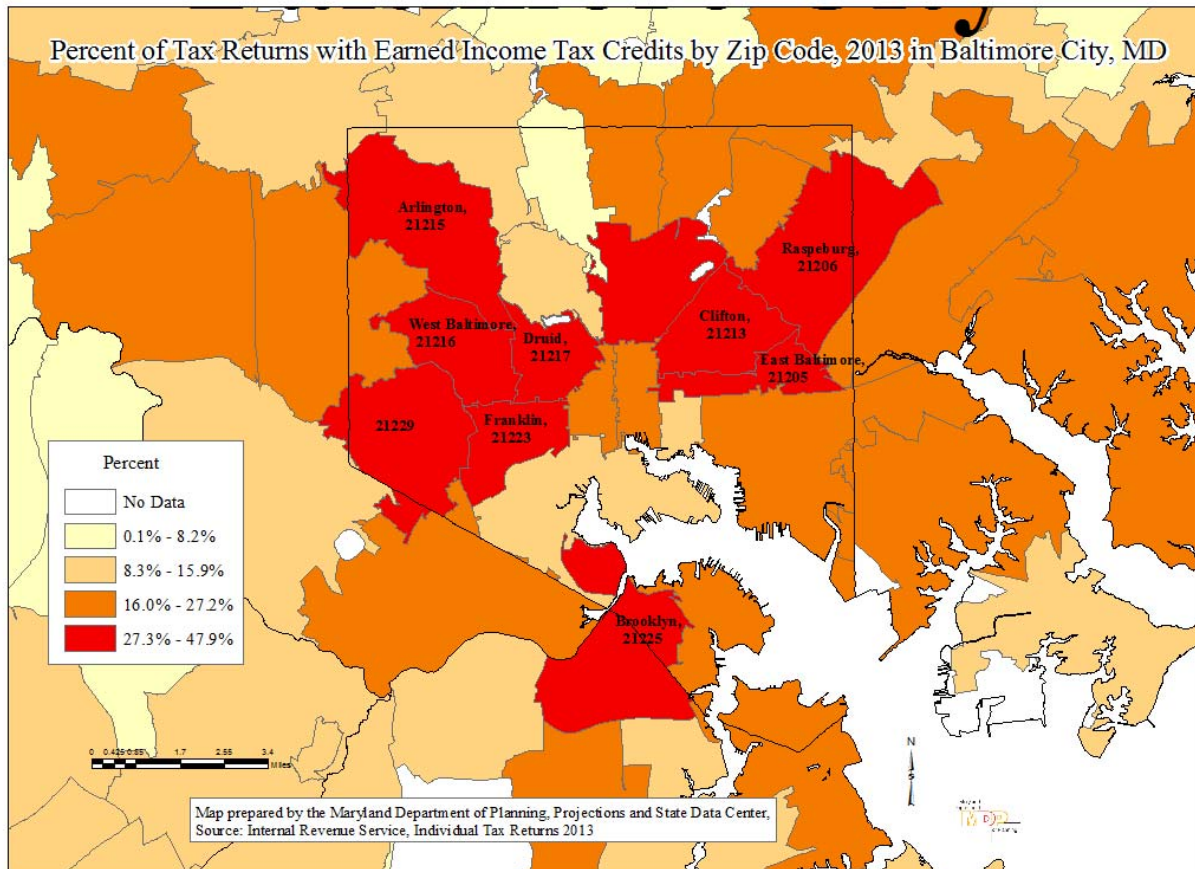
Internal Revenue Service 2013 tax return data for Maryland ZIP Codes show the highest concentration of tax filers claiming an EITC are in Baltimore City and on the Eastern Shore.

The EITC, a tax credit for low to moderate income workers, reduces the amount of taxes owed and may provide a refund to filers thus providing an incentive to workers while also reducing poverty. The EITC is considered one of the most effective means of reducing poverty since the credit is based on earnings and family size, with higher credits going to families with children. Low income workers without children are eligible for a smaller credit.

Of the top 10 ZIP Codes with the highest percentage of filers claiming the tax credit, eight are partly or entirely in Baltimore City: Franklin (21223), East Baltimore (21205), Druid (21217), Clifton (21213), West Baltimore (21216), Brooklyn (21225), Arlington (21215), and Southwest Baltimore (21229). The remaining two Zip Codes are Fishing Creek (21634) in Dorchester County and Princess Anne (21853) in Somerset County. (See Table 2.)

Table 2. Top ten ZIP Codes with largest percentage of tax returns claiming EITC, 2013

ZIP Name	County	ZIP Code	Total Returns	Pct Returns w/ EITC	Average EITC Amt.
Franklin	Baci	21223	9,390	47.9	\$2,816
E. Baltimore	Baci	21205	6,460	45.5	\$2,792
Fishing Creek	Dorc	21634	310	45.2	\$1,357
Druid	Baci	21217	13,570	44.3	\$2,758
Clifton	Baci	21213	13,200	44.2	\$2,651
West Baltimore	Baci	21216	12,340	41.0	\$2,668
Brooklyn*	Baci/AnneA	21225	14,330	33.6	\$2,678
Arlington	Baci	21215	24,930	33.5	\$2,496
Princess Anne	Some	21853	3,660	31.4	\$2,392
Baltimore	Baci	21229	21,380	31.1	\$2,467
Maryland			2,909,800	15.0	\$2,257



ZIP Codes receiving highest amounts for EITC

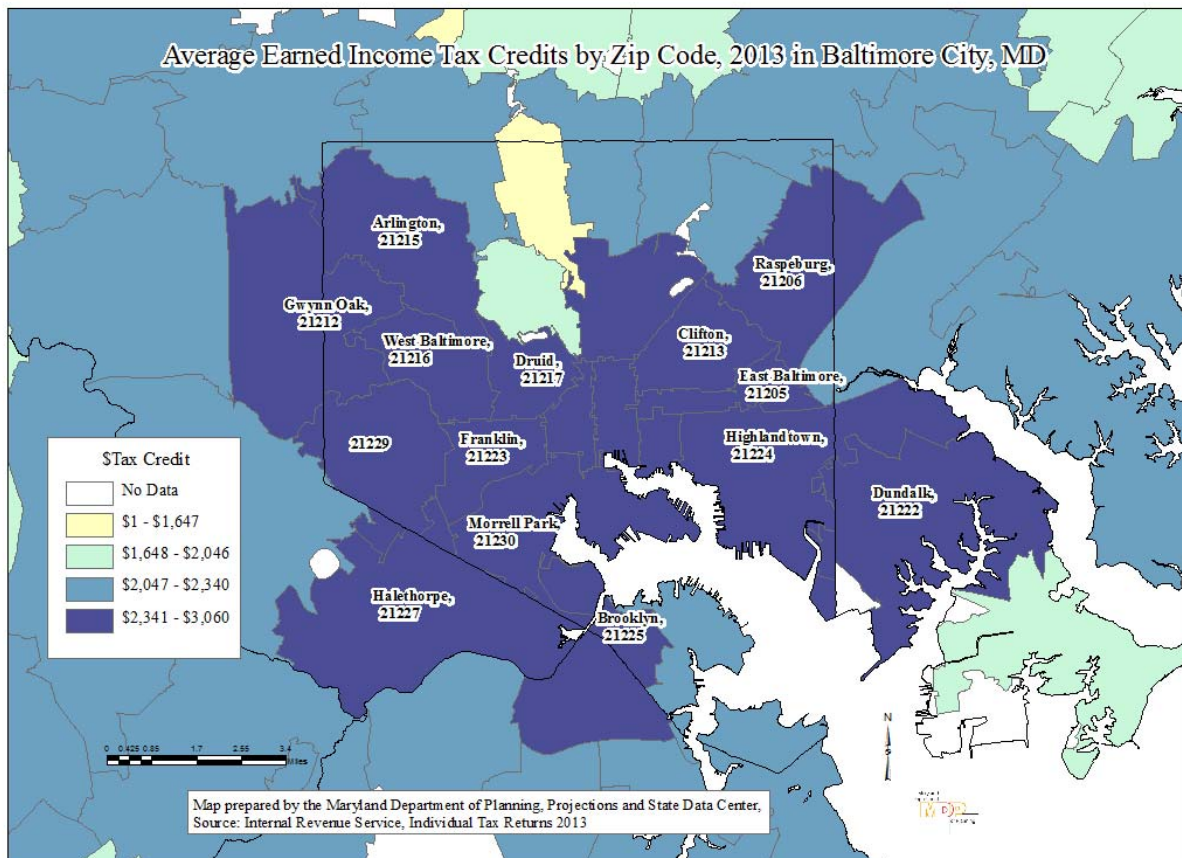
The top 10 ZIP Codes in Maryland receiving the highest average tax credit are located in Baltimore City, Calvert, St Mary's and three counties on the Eastern Shore (Kent, Dorchester and Queen Anne's). Average tax credits per tax return for these ZIP Codes range from a high of \$3,060 in Park Hall (20667) in Saint Mary's County to a low of \$2,668 received in Southwest Baltimore (21216). The average amount of EITC in 2013 for all of Maryland was \$2,257.

Four of the ZIP Codes in the top 10, are entirely within Baltimore City: South Baltimore (21223), East Baltimore (21205), Druid Heights (21217) and Southwest Baltimore (21216) while one ZIP Code, Brooklyn (21225) is partly in Baltimore City and partly in Anne Arundel County.

The final five ZIP Codes of the top 10 are located in Saint Mary's, Kent, Dorchester, Calvert and Queen Anne's counties: Park Hall (20667) in Saint Mary's County, Betterton (21610) in Kent County, Linkwood (21853) in Dorchester County, Broome's Island (20615) in Calvert County and Barclay (21607) in Queen Anne's County. (See Table 3.)

Table 3. Top ten ZIP Codes with largest average tax credit of tax returns claiming EITC

ZIP Name	County	ZIP Code	Total Returns	Pct Returns w/ EITC	Average EITC Amt.
Park Hall	StMa	20667	280	17.9	\$3,060
Betterton	Kent	21610	170	11.8	\$2,900
Linkwood	Dorc	21835	200	20.0	\$2,850
South Baltimore	Baci	21223	9,390	47.9	\$2,816
Broome's Island	Calv	20615	200	10.0	\$2,800
East Baltimore	Baci	21205	6,460	45.5	\$2,792
Barclay	QAnne	21607	230	13.0	\$2,767
Druid Hghts	Baci	21217	13,570	44.3	\$2,758
Brooklyn	Baci/AnneA	21225	14,330	33.6	\$2,678
S West Baltimore	Baci	21216	12,340	41.0	\$2,668
Maryland			2,909,800	15.0	\$2,257



Source: US Census Bureau 2010-2014 ACS; Internal Revenue Service, Statistics of Income, 2013

Notes on the IRS Data:

* The 2013 IRS tax return statistics by ZIP Code do not provide a county designation for ZIP Codes. For those ZIP Codes that cross county lines, such as Brooklyn (21225) the data are attributed to both Baltimore City and Anne Arundel County.

The data exclude tax returns that were filed without a ZIP Code and returns with ZIP Codes that did not match the State code shown on the return.

Other disclosure procedures were taken to avoid disclosing information about specific taxpayers such as:

ZIP Codes with less than 100 returns and those identified as a single building or nonresidential ZIP Code were categorized as “other” (99999);

Tax returns that fell into Adjusted Gross Income (AGI) categories with less than 20 returns were combined with another AGI class within the same ZIP Code;

Tax returns with a negative AGI were excluded;

Tax returns representing a certain percentage of a total were excluded. For example, if one return represented 75 percent of the value of a given cell the return was suppressed from the tabulation.