

# ENVIRONMENTAL JUSTICE AGENCY GOALS

North Carolina  
Department of Revenue  
2024

# INTRODUCTION

The North Carolina Department of Revenue (DOR) is a cabinet-level executive agency charged with administering tax laws and collecting taxes on behalf of the people of the State. The Department's mission is to fund public services benefiting the people of North Carolina by administering the tax laws and collecting the taxes due in an impartial, consistent, secure, and efficient manner. The Department collects taxes for over 20 types, including individual income, corporate income, sales and use, motor fuel, alcoholic beverages, and tobacco taxes. The DOR collected over \$43 billion in revenue during the Fiscal Year 2023-2024. The agency has over 1,400 positions and 13 offices across North Carolina, including the main revenue building in Raleigh and 12 remote locations.

In January of 2022, Governor Cooper issued Executive Order 246, a significant step towards environmental justice. The Executive order directed DOR to appoint its first Environmental Justice and Equity Lead. DOR's EJ lead works with EJ Leads in other agencies, shares and coordinates related activities, and increases agency leadership and staff awareness of the history and current impacts of environmental, economic, and racial injustice. Executive Order 292 builds upon the work begun under Executive Order 246 by making Environmental Justice a whole Government effort. DOR supports the environmental justice actions mandated by Executive Order No. 292 through the appointment of a DOR representative to the Governors Environmental Justice Advisory Council and through the development of the Environmental Justice goals below

1. Identify and prosecute fraudulent preparers and always have staff available to discuss any taxpayer's particular set of circumstances with them.
2. Supplement current equity training with a module that focuses on environmental justice awareness.
3. Partner with agencies to educate individuals and communities who have no or low income that results in no required federal tax filing obligation.

Identify and prosecute fraudulent preparers and always have staff available to discuss any taxpayer's particular set of circumstances with them

Status: Ongoing

Expected Completion Date:

**Background:**

Many taxpayers cannot afford to hire Certified Public Accountants (CPAs) to prepare their individual income tax returns, and North Carolina has limited rules that regulate tax preparers. This leads to certain fraudulent preparers taking advantage of taxpayers by the promise of a large tax refund for a nominal fee. These fraudulent tax preparers habitually attract wage earners and other low-income taxpayers. Generally, the tax returns often include fictitious home-based expenses or other fictitious expenses that fraudulently reduce income and inflate the refund amount. Often times, the fraudulent preparer rarely reviews the final individual income tax return with the taxpayer; however, once the tax return is signed, it is the taxpayer that is ultimately responsible for all items reflected on the return and any underpayment of tax. Very often the fraudulent tax preparer has closed his/her business following the tax preparation, and the arrest and prosecution of the preparer is very difficult. Generally, the Department will prosecute two to three fraudulent preparers each year; however, the fraudulent preparer population is extensive. Each year in November/December, the Department will launch a comprehensive campaign to educate taxpayers on what signs to look for when evaluating a tax preparer; specific outreach will be centered on Environmental Justice Communities. The Department will continue to identify and prosecute fraudulent preparers and always have staff available to discuss any taxpayer's particular set of circumstances with them. Additionally, in fall 2024, the Department will promote the introduction of Direct File in all EJ communities, as it is free option for eligible taxpayers to submit their federal and state returns for the 2025 and 2026 tax seasons. metrics. This goal seeks to establish clear quantitative performance metrics that will help provide transparency and accountability and track the effectiveness of outreach efforts. In addition, this goal seeks to improve guidance for public engagement earlier in the planning process, at the project scoping phase. This will help identify concerns with EJ communities earlier, giving planners a head start on finding the best mitigation options.

Supplement its current equity training with a module that focuses on environmental justice awareness.

Status: Ongoing

Expected Completion Date: March 2025

**Background:**

NCDOR will supplement its current equity training with a recommended by the Environmental Justice Council and make it available to all staff through LMS once available and require training for all new employees and existing employees.

Partner with agencies to educate individuals and communities who have no or low income that results in no required federal tax filing obligation.

Status: Ongoing

Expected Completion Date:

**Background:**

Many North Carolina families with low or no income have no tax filing obligation. However, in order to take advantage of the federal Child Tax Credit and the Earned Income Tax Credit, the families must file federal returns. Millions of dollars are being untapped by North Carolina families who do not file and claim the credits. NCDOR will continue its partnership with agencies that serve these populations and who help to educate potentially eligible individuals on benefits of filing and claiming the credits. NCDOR will use all of its media and social media platforms to assist in getting these messages out to individuals and families.