

## **Earned Income Tax Credit – Don't Overlook It**

The Earned Income Tax Credit is a financial boost for workers earning \$48,362 or less a year. Four of five eligible taxpayers filed for and received their EITC last year. The IRS wants you to get what you earned also, if you are eligible.

Here are the top 10 things the IRS wants you to know about this valuable credit, which has been making the lives of working people a little easier for 36 years.

1. As your financial, marital or parental situations change from year to year, you should review the EITC eligibility rules to determine whether you qualify. Just because you didn't qualify last year, doesn't mean you won't this year.
2. If you qualify, the credit could be worth up to \$5,666. EITC not only reduces the federal tax you owe, but could result in a refund. The amount of your EITC is based on your earned income and whether or not there are qualifying children in your household. The average credit was around \$2,100 last year.
3. If you eligible for EITC, you must file a federal income tax return and specifically claim the credit – even if you are not otherwise required to file. Remember to include Schedule EIC, Earned Income Credit when you file your Form 1040 or, if you file Form 1040A, use and retain the EIC worksheet.
4. You do not qualify for EITC if your filing status is Married Filing Separately.
5. You must have a valid Social Security Number. You, your spouse – if filing a joint return – and any qualifying child listed on Schedule EIC must have a valid SSN issued by the Social Security Administration.
6. You must have earned income. You have earned income if you work for someone who pays you wages, you are self-employed, you have income from farming, or – in some cases – you receive disability income.
7. Married couples and single people without children may qualify. If you do not have qualifying children, you must also meet the age and residency requirements as well as dependency rules.
8. Special rules apply to members of the U.S. Armed Forces in combat zones. Members of the military can elect to include their nontaxable combat pay in earned income for the EITC. If you make this election, the combat pay remains nontaxable.
9. It's easy to determine whether you qualify. The EITC Assistant, an interactive tool available on the IRS website, removes the guesswork from eligibility rules. Just answer a few simple questions to find out if you qualify and estimate the amount of your EITC.
10. Free help is available at Volunteer Income Tax Assistance sites and IRS Taxpayer Assistance Centers to help you prepare and claim your EITC. If you are preparing your taxes electronically, the software program you use will figure the credit for you. To find a VITA site or TAC near you, visit <http://www.irs.gov>. For more information about the EITC, see IRS Publication 596, Earned Income Credit. This publication – available in both English and Spanish – can be downloaded from the IRS website or ordered by calling 800-TAX-FORM (800-829-3676).