



TAX REFUND



“IT’S THAT TIME OF YEAR AGAIN”

Earned Income Tax Credit Information (EITC)

The Earned Income Tax Credit or EITC lets working families with children and some workers without children pay less Federal income tax or get money back.

If you work and receive income from work in a tax year, you may be eligible for the Earned Income Credit. If so, you’ll owe less in taxes, and you could get cash back. Even if you don’t owe income tax, you can get the EITC!

There are two ways to earn income to qualify:

Earnings from a business you own.
Someone pays you for work you do.

I. What income counts for Earned Income Tax Credit?

<u>Yes</u>	<u>No</u>
<input type="checkbox"/> Salary	<input type="checkbox"/> TEA Payment
<input type="checkbox"/> Wages	<input type="checkbox"/> SSI
<input type="checkbox"/> Self Employment	<input type="checkbox"/> Supplemental Nutritional Assistance
<input type="checkbox"/> Military Pay and allowances	<input type="checkbox"/> Low-income housing
<input type="checkbox"/> Strike benefits	<input type="checkbox"/> Alimony
<input type="checkbox"/> Disability: long-term (employer paid)	<input type="checkbox"/> Social Security Benefits
<input type="checkbox"/> 401 (K)-type contributions	<input type="checkbox"/> Workers’ Compensation
<input type="checkbox"/> Cash wages	<input type="checkbox"/> Workfare Payments

You will not lose government benefits if you receive an EITC payment.

Interest and unemployment checks ARE taxable income but are not considered earned income for EITC purposes.

II. Rules for Working Families with Children:

You must have earned income during the tax year, which is less than the EITC maximum for families for that tax year. For example, if your earned income is less than \$39,296 and you have one qualifying child, your EITC could be as much as \$3,373. If your earned income is less than \$44,648 and you have two children, your EITC could be as much as \$5,752.

Workers who were raising three or more children in their home and had income of less than \$47,955 in 2016 can get an EITC of up to \$6,269.

Turn over please

Who is a qualifying child?

You must be able to check one blank in each of the 3 tests

- **Child**

- son
- daughter
- adopted child
- grandchild
- stepchild
- foster child

- **How Old**

- under 19
- under 24,
- full-time student
- any age if disabled

- During the tax year, my child lived with me
 more than 6 months

How Do I File for an EITC Refund?

First: File Form 1040A or Form 1040. Your tax return will show if you owe any taxes.

Then: File Schedule EITC to know your Earned Income Tax Credit.

If your tax return shows: **Yes, You owe Taxes – You Can Subtract EARNED INCOME TAX CREDIT-** You will Owe Less- OR Get Money Back!!

If your tax return shows: You owe NO Taxes – but you qualify for Earned Income Tax Credit – You Will Get Money Back!!

How can I Boost My Take Home Pay?

File W-5 with your employer to get some Earned Income Tax Credit with each paycheck, if you have qualifying children. File each year. This works best if you have steady work.

III. Rules for Workers without Children

You must be at least age 25 but under age 65 on December 31, 2016, and have earned income of less than the EITC maximum for workers without children for that tax year. For example, to receive an EITC refund for tax year 2017, your earned income in 2016 must have been less than \$14,880. To get your earned income credit, you may file any tax form-including 1040EZ (Income Tax Return for Single and Joint Filers with no Dependents).

IV. Child Tax Credit

The purpose of the Child Tax Credit (CTC) is to help workers raising children to receive refunds worth as much as \$1,000 for each child. Eligible families can receive both the EITC and the new CTC refund if you worked in 2016. The EITC and CTC can reduce the amount of taxes owed. Eligible taxpayers can get cash back as a refund from IRS, even if they earned too little to owe income tax. You can claim the CTC by filing Form 8812 with your tax return.

Need More Information? Want to find out how you can get your tax forms filled out free? Call the IRS toll-free at 1-800-829-1040.