

FACTS ABOUT THE EARNED INCOME TAX CREDIT

What is the Earned Income Tax Credit (EITC)?

The EITC is a federal tax credit that can help boost your income when you file your federal tax return. It helps you to get back a part or all of the federal tax money you paid during the year, but only when the credit is more than the amount you owed. Your family could get back as much as \$5,657 a year.

Who can use the EITC?

To use the EITC, you must have worked at least one day in the year. You must be a U.S. citizen or a currently documented immigrant for the whole year. You must have a valid Social Security Number. If you are a currently documented immigrant, you can get a Social Security Number at your local Social Security office. You will have to bring your ID, papers to prove your legal status, and your work permit from the Department of Homeland Security.

Whether or not you can use the EITC also depends on how much money you make. For the 2009 tax year, single workers who have three or more qualifying children can earn up to \$43,279 and still get the EITC. Single workers with two children can earn up to \$40,295 and still get the EITC. Single workers with only one child can make up to \$35,463. Single workers with no children can make up to \$13,440. Married workers with three or more qualifying children can earn up to \$48,279 if they file jointly with their spouse. Married workers with two children can earn up to \$45,295, filing jointly. Married workers with one child can earn up to \$40,463, filing jointly. Married workers with no children can make up to \$18,440, filing jointly. Workers without children can only use the EITC if they are between age 25 and 65, and are not the dependent of another person.

Who counts as a “child” for the EITC?

To count for the EITC, the child must live with you for over half of the year. The child usually must be under 19. If the child is a full-time student, you can count the child until age 24. Children over 25 who live with you can count for the EITC if they are totally or permanently disabled during the year. The child does not have to be your child by birth. In some cases, you can also count stepchildren, adopted or foster children, grandchildren, brothers and sisters, or nieces and nephews who live with you.

How can I get the EITC?

If you have children, you must file IRS Form 1040 or 1040A and a Schedule EIC when you do your taxes. You can call 1-800-TAX-FORM (1-800-829-3676) to get these forms. You can also get it at <http://www.irs.gov/formspubs/>. If you do not have children, you can file IRS Form 1040, 1040A, or 1040EZ and fill out the EITC line on the form to get the EITC. Workers without children do not need to file a Schedule EIC.

Can I use the EITC before I file my taxes?

Yes. You can get your tax money back in your paycheck instead of waiting until the end of the year. This program is called the Advance EITC (AEITC). AEITC payments are not taxed as income. They come from the income tax, Social Security, and Medicare taxes that are taken out of your paycheck. You should only use the AEITC if you do not expect to get a large pay increase during the year. For the 2009 tax year, you could get up to \$1,826 in AEITC payments. To get the AEITC, you must fill out IRS Form W-5 and give it to your employer. You can call 1-800-TAX-FORM (1-800-829-3676) to get Form W-5. You can also get it at <http://www.irs.gov/formspubs/>.

I have more questions about the EITC. Who can I call for help?

Call the IRS at 1-800-TAX-1040 (1-800-829-1040) to get help with the EITC or other tax questions. You can also get free help filing your taxes with the Volunteer Income Tax Assistance (VITA) program. Call 1-800-829-1040 to find a VITA site near you.

This brochure is for information only and was produced by the South Carolina Appleseed Legal Justice Center. If you have problems with your taxes, you may want to contact your local legal services program by calling the Legal Aid Telephone Intake Service for a referral at (803) 744-9430 in Columbia or toll free at 1-888-346-5592 from other places in the state.

South Carolina Appleseed Legal Justice Center is dedicated to advocacy for low-income people in South Carolina to effect systemic change by acting in and through the courts, legislature, administrative agencies, community and the media, and helping others do the same through education, training and co-counseling.

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