

A\$\$ET DEVELOPMENT EXCHANGE

EARNED INCOME TAX CREDIT - TAXPAYER HANDOUT

The Earned Income Tax Credit (EITC) is a federal income tax credit for low-income workers who are eligible for and claim the credit. The credit reduces the amount of tax you owe, and may be returned to you in the form of a refund.

To claim the EITC, you must meet all of the following rules:

- Must have earned income
- Must have a valid Social Security Number
- Investment income is limited \$3100
- Filing status **cannot** be "married filing separately"
- Generally must be a U.S. citizen or resident alien all year
- Cannot be a qualifying child of another person
- Cannot file Form 2555 or 2555-EZ (related to foreign earned income)

And, you must file your annual tax return.

If you are claiming the Earned Income Tax Credit **without a qualifying child** you can use the following forms: 1040, 1040 A, or 1040 EZ. If you are claiming the EITC **with at least one qualifying child**, use either a 1040 or 1040A Form. In addition, an EIC Schedule will need to be completed and attached. If you would like the IRS to figure your EITC, insert "EIC" on the Earned Income Credit line of your tax form.

You can qualify for the EITC while receiving Supplemental Security Income (SSI) and/or Social Security Disability Insurance (SSDI). The EITC does **not** count as earned income for either program. However, you must continue to meet other requirements and work rules for those programs. There are no requirements specifying what you can do with the Earned Income Tax Credit. You can use the Earned Income Tax Credit in an Individual Develop Account (IDA) or a Plan to Achieve Self-Support (PASS).

More information on EITC >>

[www.irs.gov/Individuals/EITC-Home-Page--lt%E2%80%99s-easier-than-ever-to-find-out-if-you-qualify-for-EITC]