



# Does the Government Owe Me Money Because of the Earned Income Tax Credit?

## WHAT IS THE EARNED INCOME TAX CREDIT (EITC) AND WHO CAN GET THIS EXTRA MONEY?

The EITC is a special tax benefit for working individuals and families with low or moderate incomes. It will allow you to get money back from your federal and state taxes if:

- You worked in the current tax year; or
- You worked part time and didn't earn enough to pay taxes; or
- You receive long-term employer-paid disability benefits and are under 64, even if you did not work; and in all instances
- You are legally authorized to work in the U.S. (you do not have to be a citizen but you must be a resident for the entire year and must have a social security number). Getting the EITC will not create "public charge" problems for immigrant workers.

Obtaining the EITC will not affect your Public Assistance (Welfare) benefits. If you receive other kinds of government assistance, you must follow these rules:

**You receive public assistance:** You must spend the EITC within two months after you receive it if you are on SSI, Medicaid or part of a federally assisted housing program; otherwise it may count towards your eligibility;

**You receive food stamps:** You must spend the EITC within twelve months of receiving it if you get Food Stamps; otherwise it may affect your eligibility.

## YOU ARE ELIGIBLE FOR EITC IF:

In 2007, you lived with:	and your family earned less than:	you may be eligible for federal benefits up to:
1 qualifying child	\$33,241 (or \$35,242 if married filing jointly)	\$2,853
2 or more qualifying children	\$37,783 (or \$39,783 if married filing jointly)	\$4,716
No children – and you are between 25-64 years old	\$12,590 (or \$14,590 if married filing jointly)	\$428

Note: Some forms of income are treated differently for EITC eligibility.

**Workfare: Non-taxable** income received from workfare programs is not considered "earned income".

**Welfare:** Income received from welfare programs is not considered "earned income".

**Child Support / Foster Care:** Income from child-support and non-taxable foster-care payments is not considered "earned income".

**Subsidized Employment:** Wages from subsidized employment may be considered "earned income"; check with the IRS.

## WHICH CHILDREN QUALIFY FOR THE EITC?

A person is considered a “qualifying child” for EITC purposes if the person lives with you and one of the following conditions is met:

- That person is your son, daughter, stepchild, grandchild, or adopted child; or
- That person is your brother, sister, stepbrother, stepsister or a descendent (like a niece or nephew) who you cared for as you would care for your own child; or
- That person is an eligible (placed with you by an authorized placement agency) foster child..

Qualifying children must generally be 18 years old or younger at the end of the tax year. However, there are two important exceptions:

- If the child is a full time student, he/she must be 23 years old or younger at the end of the tax year;
- If the child is permanently or totally disabled, there is no age requirement.

All qualifying children must have a valid Social Security number unless they were born and died in 2004. You can call 1-800-772-1213 to have an application for a Social Security number sent to you or find out where you can apply for one in person.

Note that a person who is claimed as a qualifying child by anybody else cannot also receive the EITC. A person who is claimed as a dependant by anybody else also cannot receive the EITC.

## HOW DO I GET EITC TAX BENEFITS?

You must file certain forms when you file your taxes to get the EITC:

- Individuals filing without qualifying children may use Form 1040EZ and still get the credit;
- **If you have qualifying children**, you must use Form 1040 or 1040A and **not** Form 1040EZ to get the EITC. You must also fill out and attach either Worksheet A or Worksheet B. If you have children, you may be able to get a portion of next year’s EITC in advance added directly to your paycheck. Ask your employer for federal Form W-5.
- If you are married, you must file a joint return. You may not file as “married filing separately”.
- For each individual that is listed on your return, you must provide his/her correct name and Social Security number.
- Once you have filed for the federal EITC, you can also get an EITC from New York State. You will need to fill out and attach New York State Form IT-215 to your state tax return.
- The EITC can be filed for the last three years. If you were eligible in 2000-2002, but didn’t know about it, call the IRS to find out how to file for previous years. If you owe back taxes, the EITC may be applied to your bill to help lower it.

If you have any questions about your federal taxes, you can call the IRS 24 hours a day at 1-800-829-1040. They can also help you fill everything out for free. You can get any federal forms you need sent to you by calling 1-800-829-3676. For more information on New York State’s EITC, you can call 1-800-225-5829 toll free. State forms can be obtained by calling 1-800-462-8100.