

Earned Income Tax Credit Can Put Money in Your Pocket

You could be cheating yourself at tax time, even if you are not required to file a tax return. The IRS estimates one in four eligible taxpayers will overlook the Earned Income Tax Credit - or EITC - worth up to \$5,600 or more this year.

EITC is a refundable tax credit, meaning you can get money back even if you owe no federal income tax or had no tax withheld. And, if you owe tax, it can offset the amount you must pay.

The credit has been making the lives of working people a little easier for 35 years. Yet it remains little known, possibly because people move into and out of eligibility as their income, marital statuses and parental statuses change.

Unlike other tax credits, EITC is based on a combination of factors such as the source and amount of your income, or combined income if married, whether you have qualifying children and how many. Although children are not required for eligibility, they increase the amount of your credit. Through new legislation, families with three or more children can get even more money.

The credit is complex, but worth exploring. It's even more valuable if your state has a corresponding tax credit. If you had less than \$48,000 in income from wages, self-employment or farming in 2009, see if you qualify. Find more information at www.irs.gov/eitc. Use IRS's online EITC Assistant to determine your eligibility and the amount of your credit, or use the worksheet in your tax instruction package.

No-cost help is available in many communities. Volunteer income tax assistance sites or IRS Taxpayer Assistance Centers will compute your EITC and prepare your return at no charge. To locate a volunteer site, call your community's 211 or 311 number for local services or call the IRS at 1-800-906-9887. Locate an IRS Taxpayer Assistance Center in the blue pages of your telephone directory

Remember: if you are eligible, you must file a federal income tax return, even if you are not otherwise required to file, and you must specifically claim the credit to get it.

Per the IRS, rural and non-traditional families -- such as grandparents raising grandchildren -- childless workers, and Spanish-speaking taxpayers are among those who most frequently overlook the credit.