



Do you qualify for the Earned Income Tax Credit?

Window on State Government at www.window.state.tx.us/taxinfo/eitc

Q What is the Earned Income Tax Credit (EITC)?

A EITC is a federal income tax credit that is refunded to qualified taxpayers after their taxes have been paid. Even if you don't have to pay any taxes on your income, you may still qualify for a refund.

Q What do I do to qualify for the EITC?

A EITC is based on the amount of your earned income; it is set up on a sliding scale and is claimed by filing a federal income tax return.

- Families with three or more children may qualify for an EITC refund if their total annual earned income during 2012 was less than \$50,270; or
- Families with two children may qualify for an EITC refund if their total annual earned income during 2012 was less than \$47,162; or
- Families with one child may qualify for an EITC refund if their total annual earned income during 2012 was less than \$42,130; or
- Families or individuals with no qualifying children may be eligible for an EITC refund if their total annual earned income for 2012 was less than \$19,190 and they are between 25 and 64 years of age.

Q Who is a "qualifying child?"

A A son, daughter, stepchild, grandchild, foster child* or adopted child who, at the end of the tax year, was under age 19 (or a full-time student under the age of 24) and lived with you for more than six months of the year; or a child of any age who is totally or permanently disabled and lived with you for more than six months of the year. In addition, a brother, sister, stepbrother, stepsister or any of their descendants may also qualify.

Q How and when do I claim the credit?

A The credit is claimed when you file your federal income tax return. If you file a 1040 or 1040A tax return, complete Schedule EIC (if you have a qualifying child) and file it with your return. If you file a 1040EZ, the credit can be calculated from a worksheet and claimed on the return. Worksheets are included in the instruction package for each type of return.

Beginning with the 2011 tax year, the Advanced Earned Income Credit is no longer available. Taxpayers, who are eligible to claim the Earned Income Tax Credit (EITC), must wait and claim the credit when the return is prepared.

Q What else should I know about EITC?

A Valid Social Security numbers that allow an individual to work are required to claim the EITC. If you, your spouse or any of your qualifying children have a Social Security card that says "NOT VALID FOR EMPLOYMENT" and was issued only to receive a federally funded benefit, you cannot receive the EITC.

A child can only be a "qualifying child" for EITC on one income tax return.

Q What if I have additional questions about the EITC?

A Call the IRS at 1-800-829-1040; dial 211; go to a local IRS office in person; locate one of the Voluntary Income Tax Assistance (VITA) sites that are set up around the state; or visit the Comptroller's Window on State Government website at www.window.state.tx.us/taxinfo/eitc.

* A qualifying foster child must have been placed with you by an authorized placement agency.



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