

2012 TAX YEAR FAST FACTS: Earned Income Tax Credit

- EITC can be a boost to you, your family and community. Anyone with earnings under \$50,000 should see if they qualify at www.irs.gov/eitc or visit a volunteer tax assistance site or local [IRS Taxpayer Assistance Center](#).
- Four of five eligible workers claim and get their EITC. We want to raise that number to five out of five. You earned it, "now file, claim it and get it." See if you qualify at www.irs.gov/eitc.
- For working people, "Life's a little easier with EITC." Millions of workers qualify for EITC for the first time this year; making awareness critical. Workers move into and out of eligibility based on changes in their marital, parental and financial status. About one-third of the EITC eligible population turns over each year.
- The amount of the credit is based on several factors, including the amount of an individual's earnings from wages, self-employment or farming. Except in the case of some disability retirement income, people who do *not* work and do *not* have [earnings](#) generally do *not* qualify for the credit.
- EITC is for workers whose income does not exceed the following limits:
 - \$45,060 (\$50,270 married filing jointly) with three or more qualifying children
 - \$41,952 (\$47,162 married filing jointly) with two qualifying children
 - \$36,920 (\$42,130 married filing jointly) with one qualifying child
 - \$13,980 (\$19,190 married filing jointly) with no qualifying childrenInvestment income must be \$3,200 or less. And, children must meet certain relationship and residency requirements to be a qualifying child.
- EITC can make life a little easier. The maximum credit is:
 - \$5,891 with three or more qualifying children
 - \$5,236 with two qualifying children
 - \$3,169 with one qualifying child
 - \$475 with no qualifying children
- For more information on whether a child qualifies you for EITC, see "[Qualifying Child Rules](#)" on irs.gov or [Publication 596](#).
- Workers who qualify for EITC must file federal income tax returns, even if they do not have to file a Federal income tax, and specifically claim the credit to get it.
- The IRS works with national partners, [community-based coalitions and thousands of local partners and governments](#). These partnerships provide free tax help and education about EITC.

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- Workers at risk for overlooking this important credit include those:
 - Whose earnings declined or whose marital or parental status changed
 - With limited English skills
 - Living in rural areas
 - Who are Native Americans
 - Who have disabilities or are raising children with disabilities
 - Without children
 - With earnings below the filing requirement
 - Living in non-traditional homes, such as a grandparent raising a grandchild
- EITC is one of the nation's largest anti-poverty programs, annually lifting 6.6 million people out of poverty; half are children. Last year, over 27 million workers received nearly \$62 billion in EITC. The average credit was over \$2,200, but can be as much as \$5,891 this year depending on the worker's income, marital status and whether they have children. More than 60 percent of all tax returns claiming EITC are filed during February.
- EITC lifts over 6 million people out of poverty each year, half are children.
- Workers who qualify for EITC also may be eligible for a similar credit on their state or local income tax returns. Twenty-four states, the District of Columbia, New York City and Montgomery County, Maryland, offer residents an earned income tax credit.
- There's lots of free options to help workers determine their eligibility and file and claim their EITC:
 - The EITC Assistant at www.irs.gov helps workers determine their eligibility.
 - Persons making \$50,000 a year or less are qualified to access free tax return preparation services that are available at more than 13,000 community [Volunteer tax assistance](#) sites.
 - Individuals can electronically Free File their returns and claim their EITC using brand name software products. Visit www.IRS.gov to access software.
- Workers should use only reputable and knowledgeable preparers when paying for tax return preparation. They are ultimately responsible for the accuracy of their returns. Anyone paid to prepare a tax return is required to sign it and enter his or her PTIN, Preparer Tax Identification Number. See www.irs.gov for details.
- If in doubt about their eligibility, workers should check it out at www.irs.gov/eitc. Those Taxpayers who claim EITC in error could have their refunds denied today and in the future.

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