



Awareness Day 2010

FAST FACTS: EARNED INCOME TAX CREDIT

- The new maximum credit for tax year 2009 is \$5,657 for a family with three or more children; \$5,028 for a family with two children; \$3,043 for a family with one child and \$457 if there are no children.
- The new income limits are \$43,279 (\$48,279 if married filing jointly) for families with three or more children; \$40,295 (\$45,295 if married filing jointly) for families with two children; \$35,463 (\$40,463 if married filing jointly) if there is one child and \$13,440 (\$18,440 if married filing jointly) for no children. Investment income must be \$3,100 or less. Children must meet certain relationship and residency requirements.
- Created in 1975, the Earned Income Tax Credit (EITC) helps offset Social Security taxes and provides an incentive for work. It is the federal government's largest benefits program for working families.
- More than 60 percent of all tax returns claiming EITC are filed during the month of February.
- An estimated 20 to 25 percent more people may qualify for EITC but may not be aware of it.
- The EITC is for people who work and have low to moderate income.
- The audience includes people with limited English skills, rural residents, Native Americans, people with disabilities and nontraditional families, such as a grandparent raising a grandchild.
- The IRS works with over 65 National partners, 300 Community Based Coalitions and thousands of local partners. These partnerships provide free tax assistance and educate people about available tax credits.
- There are more than 12,000 free tax preparation sites nationwide. Approximately 4,500 sites were Volunteer Income Tax Assistance sites that provide free services to people who make approximately \$49,000 a year or less. Approximately 8,000 sites were Tax Counseling for the Elderly locations operated by AARP and free for low-income people who are age 60 or older.