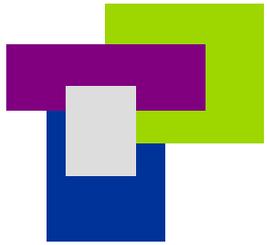


A decorative horizontal band at the top of the slide, featuring a light purple background with dark purple wavy lines that resemble water or stylized clouds. The band spans the width of the slide.

# **Earned Income Tax Credit**

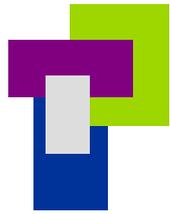
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# What is EITC?

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- **Federal tax benefit designed to assist low and moderate income workers in increasing their financial stability**
  - Reduces taxes for workers
  - Supplements wages
  - Makes work more attractive



# Who is eligible for the EITC?

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**For Tax Year 2010, Earned Income and Adjusted Gross Income (AGI) must each be less than:**

- \$43,352 (\$48,362 married filing jointly) with three or more qualifying children
- \$40,363 (\$45,373 married filing jointly) with two qualifying children
- \$35,535 (\$40,545 married filing jointly) with one qualifying child



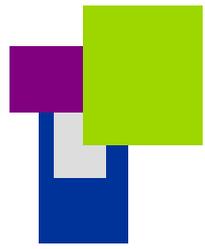
# Who is eligible for the EITC?

(Continue)

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**For Tax Year 2010, Earned Income and Adjusted Gross Income (AGI) must each be less than:**

- **\$13,460 (\$18,470 married filing jointly) with no qualifying children**
- **Investment Income Limit = \$3,100.**

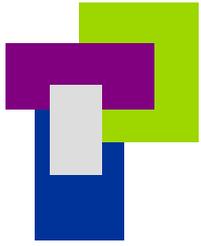


# How much is the EITC worth?

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## Tax Year 2010 maximum credit:

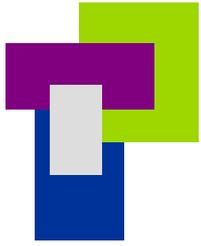
- \$5,666 with three or more qualifying children
- \$5,036 with two qualifying children
- \$3,050 with one qualifying child
- \$457 with no qualifying children
- **Maximum Advance EITC** workers can receive from their employers is \$1,830.



# How Does the Credit Work?

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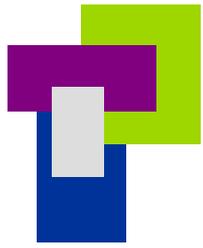
A qualified individual **MUST** file an individual tax return (whether income tax is owed or not) and complete Schedule EIC



# Why is EITC Important to *Families?*

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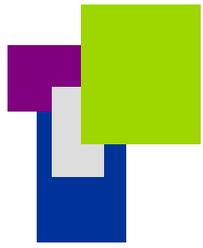
- Transportation
- Child care
- Medical expenses
- Food, clothing, etc.
- Household expenses



# Why is EITC Important to *Communities?*

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- EITC dollars are spent locally
- Local employers gain a more reliable, productive work force
- Reduces demand for public assistance



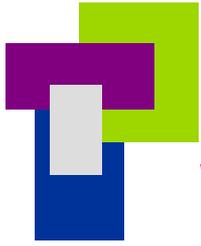
# Why is EITC Important to *All Eligible Families?*

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Research indicates that as many as

*25%*

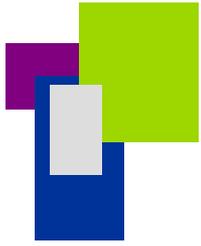
of eligible families **fail** to claim the EITC they have **earned**.



# Who's Missing Out On EITC?

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- Workers not required to file tax returns due to no “tax liability” –
- Workers with low-income or a history of welfare receipt
- Workers without children
- Workers who have recently lost jobs and may have never been eligible for the EITC before because their earned income was above the EITC threshold.

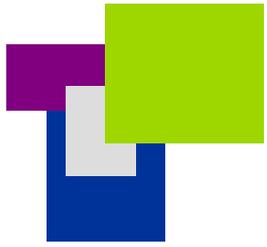


# Who's Missing Out On EITC?

(con't)

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- New parents
- Grandparents
- Foster Parents
- Parents raising disabled children
- Workers who have English as a second language
- Eligible immigrants, especially Latino families

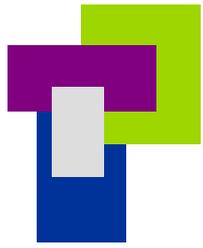


# Stakeholder Partnerships, Education and Communication

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## Customer Segments

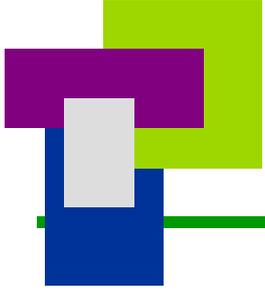
- ▶ Low Income
- ▶ Persons with Disability
- ▶ Rural
- ▶ Limited English
- ▶ Native American
- ▶ Elderly



# Community Based Partnerships

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- Community Organizations With Common Interest Or Shared Commitment Of Helping Working Families
- Emphasize Coordination of Existing Services, Leveraging of Community Resources and Collaboration In Assisting Working Families
- Strategically Linking Asset Building Opportunities Is Key To Long Term Economic Self-Sufficiency for Working Families



# Community Based Partnerships

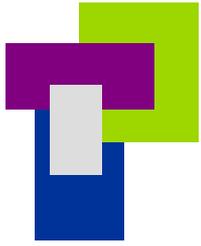
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**Awareness  
and Education**

**Asset  
Building**

**Community-  
Based  
Organizations**

**Tax Preparation**

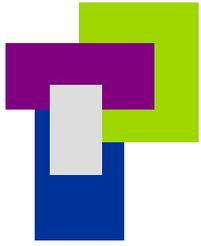


# Free Tax Prep Services

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**Many communities offer free tax prep services through:**

- **Tax Counseling for the Elderly (TCE) program (AARP)**
- **Volunteer Income Tax Assistance (VITA)**

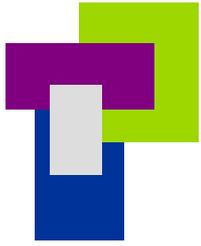


# How Can You Help

## EITC Outreach

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- Provide Tax Publications and IRS products in offices
- Make fliers available at recruitment efforts, home visits, resource centers, program newsletters and parent involvement activities
- Incorporate the Credit into the family assessment and partnership building process
- Post information about the EITC in prominent places
- Provide EITC educational materials in mail out to families
- Head Start staff can learn about EITC to assist families with basic EITC eligibility screening

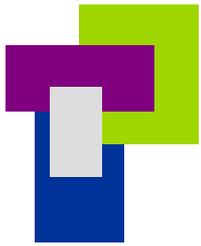


# How Can You Help

## Free Tax Preparation

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- Refer clients to local VITA sites-free tax prep
- Assist clients with documents needed for tax prep
- Coordinate translator needs
- Provide locations and directions to VITA
- Consider offering free tax prep services
- Provide a computer with public internet access for families to “Free-File” to IRS
- Identify a mentor to assist families with Free-File
- Advise families to file prior returns
- Join existing community efforts

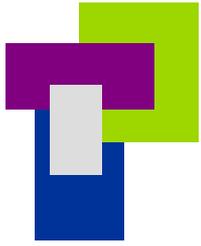


# Resources

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- Local IRS Locations- 800-829-1040
- Tax Help Line- 800-829-1040
- Refund Hotline 800-829-1954
- VITA Site Locations [www.irs.gov](http://www.irs.gov)



# IRS Contacts

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**Phone: 312-566-3334**

**E-mail: [jesse.carpenter@irs.gov](mailto:jesse.carpenter@irs.gov)**