

Advanced Earned Income Tax Credit

What is it?

The Earned Income Tax Credit (EITC) sometimes called the Earned Income Credit (EIC), is a refundable Federal income tax credit for low-income working individuals and families. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. The **advance EITC** allows certain taxpayers to receive their EITC in installments throughout the year, instead of a lump sum during the following filing season.

What does this mean?

If you qualify, this can be a great way to increase your monthly cash flow. You already are paying taxes on the income you are earning. This can be a helpful way to receive your tax refund throughout the year, month by month.

Who qualifies?

- You must have earned income from employment or from self-employment.
- Your earned income and adjusted gross income (AGI) must be less than:
 - \$11,490 (\$12,490 if married filing jointly) if there is no qualifying child
 - \$30,338 (\$31,338 if married filing jointly) if there is one qualifying child
 - \$34,458 (\$35,458 if married filing jointly) if there is more than one qualifying child.
- Your investment income must be \$2,600 or less.
- Your filing status cannot be married, filing separately.
- You must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- You cannot be a qualifying child of another person.
- If you do not have a qualifying child
 - You must be between ages 25 at the beginning of the year and 65 at the end of the year.
 - Live in the United States for more than half the year
 - Not qualify as a dependent of another person

Who can claim it?

- To claim EITC or advanced EITC, you, your spouse, and any qualifying child must have valid Social Security Numbers issued by the Social Security Administration.
 - If SSN was obtained solely to receive federally funded benefits, such as food stamps, it is not valid for EITC purposes. This type of card will generally say NOT VALID FOR EMPLOYMENT.

- If you or your spouse (if filing jointly) have an individual taxpayer identification number (or ITIN), you cannot get any EITC.
- If a qualifying child has an ITIN or an adoption taxpayer identification number (ATIN), you cannot get the EITC on the basis of that child.
- You must meet certain income requirements
 - (See above income requirements)

Who is a qualifying child?

- Your son, daughter, stepson, stepdaughter, or a descendant of any of them, or
- Your brother, sister, stepbrother, stepsister, or a descendant of any of them, and whom you care for as your own child, or
- Eligible foster child (placed with you by an authorized placement agency whom you care for as your own child).
- Child must be at the end of the year:
 - Under age 19, or
 - Under age 24 and a full-time student, or
 - Any age if permanently and totally disabled at any time during the year.
- Child must live with you more than half of the year in the United States.
- An adopted child is treated as a child by blood.

How can I apply?

- Complete Form W-5 *Earned Income Credit Payment Certificate*
- For advanced credit, you must have at least one qualifying child.
- For information on eligibility and application visit the IRS website EITC Assistance page at: <http://www.irs.gov/individuals/article/0,,id=130102,00.html>
- Call or visit your local IRS office.
- For information on reaching a reputable professional to help you avoid common mistakes, call or visit your local IRS office, visit <http://www.irs.gov/newsroom/article/0,,id=120129,00.html>

Helpful Numbers and Websites:

- www.irs.gov/eitc
- Volunteer Income Tax Assistance (VITA) sites. IRS VITA volunteers can help you complete your tax return for free. Call 1-800-829-1040 for a site near you.
- For answers to EITC and other tax questions: 1-800-829-1040
- For TTY/TDD access, call 1-800-829-4059



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