

Will the EITC Affect My Public Benefits?

The EITC will not affect your eligibility for public benefits such as food stamps, low income housing, welfare, Medicaid, and supplemental security income (SSI).

The EITC will not affect the amount of your public benefits. However, if you do not spend the EITC within a certain time period, it could affect certain public benefits.

What If the IRS Denies My EITC Claim?

If you think that you qualify for the EITC and the IRS denies your claim, you should appeal the IRS decision. To appeal, you must prepare a written statement explaining why you are qualified to claim the EITC. You should attach documents that support your claim.

If you do not appeal the IRS decision, you may not be able to claim the EITC for the next two years. If the IRS determines that you fraudulently claimed the EITC, you may not be able to claim the EITC for the next 10 years.

You must file Form 8862 with your tax return if the IRS previously denied your EITC. For more information on the EITC, see IRS Publication 596 or contact the Western NC Low Income Taxpayer Clinic.

Office Hours:

Monday - Friday 8:30am to 5:00pm

1431 Elizabeth Avenue
Charlotte, North Carolina 28204
www.lssp.org

Telephone: 704.971.2622
Fax: 704.376.8627
Email: info@lssp.org

Client Help Lines

Mecklenburg County: 704.376.1600
Outside Mecklenburg: 800.438.1254
Spanish Language Line: 800.247.1931

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Western North Carolina Low Income Taxpayer Clinic

What is the Earned Income Tax Credit?



a full measure of justice
for those in need

What is The Earned Income Tax Credit (EITC)?

The earned income tax credit was designed to help low income, working taxpayers by allowing tax credits or refunds to those who qualify.

How Do I Qualify for the EITC?

- You must have earned income. This includes income from wages, tips, and self-employment.

Earned income does not include: unemployment payments, worker's compensation, welfare or workfare payments, Social Security, alimony, child support, or nontaxable employee pay and interest.

- Both you and your spouse must have Social Security numbers valid for employment. Any child you claim for the EITC must also have a Social Security number.
- You must be a United States citizen or resident alien.
- You must file single, married filing jointly, or head of household to claim the EITC. You cannot file "married filing separately."
- You cannot claim the EITC if you have investment income (interest, dividends, and rents) of more than \$2,950.

How Do I Qualify for the Maximum EITC?

The maximum EITC amount is determined by your income and number of children you can claim.

| Number of Children | Income Range | Maximum EITC |
|--------------------|-------------------|--------------|
| 0 | \$5,700-\$7,200 | \$438 |
| 1 | \$8,550-\$15,750 | \$2,917 |
| 2 | \$12,100-\$15,750 | \$4,824 |

Who Is a Qualifying Child?

A qualifying child is a son, daughter, grandchild, stepchild, or eligible foster child who lived with you in the United States for more than half the year.

The child must also be under age 19 at the end of the year (under age 24 if a full-time student), or any age if permanently and totally disabled.

What If My Child is the Qualifying Child of Someone Else?

More than one caregiver may be able to claim a child for the EITC. You must choose which person can claim the child for the EITC each tax year.

Two People Cannot Claim the Same Child

How do I decide who can claim the child for EITC?

1. If two parents can claim the same child, only the parent where the child lived the longest will be allowed the EITC.
2. If the child lived with both parents the same amount of time, then the parent with the highest adjusted gross income will be allowed to claim the EITC.
3. If a parent and nonparent claim the same child, only the parent will be allowed to claim the EITC.
4. If two nonparents claim the same child, only the nonparent with the highest income can claim the EITC.

Do I Have to Wait to File Taxes Before I Can Get the EITC?

No. If you earn less than \$38,646 (\$41,646 if filing a joint return), have at least one qualifying child, and can claim the EITC, your employer can pay your EITC to you in advance over the course of the year by including an extra amount in each payment.

Do not apply for the advanced EITC if you work for yourself or you plan to marry. To receive the advanced EITC, you will need to obtain a Form W-5 from your employer and submit the completed form back to your employer.