

# FAST FACTS: EARNED INCOME TAX CREDIT

- EITC can make life a little easier. The maximum credit for tax year 2011 is:
  - \$5,751 for a family with three or more children;
  - \$5,112 for a family with two children;
  - \$3,094 for a family with one child and
  - \$464 if there are no children.
- The income limits for tax year 2011 are:
  - At least \$1 of earned income
  - \$43,998 (\$49,078 if married filing jointly) for families with three or more children;
  - \$40,964 (\$46,044 if married filing jointly) for families with two children;
  - \$36,052 (\$41,132 if married filing jointly) if there is one child; and
  - \$13,660 (\$18,740 if married filing jointly) for no children.

Investment income must be \$3,150 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.
  - EITC is for people who work. It is not welfare; it is a tax benefit they earned. It usually does not affect other government benefits they may receive.
  - Many people will qualify for EITC for the first time this year because their income declined, their marital status changed or they added children to their families.
  - An estimated 20 to 25 percent more people may qualify for EITC but may not be aware of it.
  - Workers with limited English skills, rural residents, Native Americans, people with disabilities and nontraditional families, such as a grandparent raising a grandchild, are most likely to overlook this credit.
  - Filing a return makes them eligible for the Earned Income Tax Credit (EITC)
  - The EITC can reduce taxes and can mean a refund.
  - The IRS works with over 65 National partners, 370 Community Based Coalitions and thousands of local partners. These partnerships provide free tax assistance and educate people about available tax credits.
- There's lots of free help:
    - The EITC Assistant at [www.irs.gov](http://www.irs.gov) will help taxpayers determine their eligibility.
    - [Volunteer tax assistance](#) sites at more than 1,200 community locations and local IRS Taxpayer Assistance Centers will prepare returns and help workers claim their EITC. They provide free services to people who make approximately \$49,000 a year or less.
    - Free File, available at [www.irs.gov](http://www.irs.gov), will let individuals electronically file their returns and claim their EITC using brand name software products.