

Earned Income Tax Credit and Volunteer Income Tax Assistance



Quick Look: The **Earned Income Tax Credit** refunds a certain amount of money to people who qualify for this credit.

For those who need help filing their taxes, the IRS offers trained volunteers help via its **Volunteer Income Tax Assistance** program.

This fact sheet contains information on two separate programs administered through the Internal Revenue Service (IRS) to help taxpayers who are seniors or who may have lower incomes. The Earned Income Tax Credit (EITC) is a refundable tax credit. For those individuals who need help with their taxes, the IRS offers Volunteer Income Tax Assistance (VITA).

What Is the Earned Income Tax Credit?

- The EITC is a federal, refundable tax credit. That means qualifying taxpayers will get money back, even if they don't have any tax withheld from their paychecks. To claim the credit, you must file your federal taxes, even if you don't earn enough to owe tax.
- To qualify for the EITC, you must work and have earned income beneath a certain threshold. The actual amount of the credit varies based on your income and family size.
- To qualify, your earned income and adjusted gross income must each be less than:

If filing...	Qualifying Children Claimed			
	0			3 or more
Single, Head of Household, or Widowed	\$15,820	\$41,756	\$47,440	\$50,594
Married Filing Jointly	\$21,710	\$47,646	\$53,330	\$56,844

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The maximum amount of credit for Tax Year 2020 is:

- \$6,660 with three or more qualifying children
- \$5,920 with two qualifying children
- \$3,584 with one qualifying child
- \$538 with no qualifying children

The EITC Checklist

There are a few things to remember:

- You must have a valid Social Security number.
- You must have earned income.
- Your filing status cannot be married, filing separately.
- You must be a U.S. citizen. You may also qualify if you are a citizen of another country.*
- If you don't have any qualifying children, you must:
 - be age 25 but under 65 at the end of the year,
 - live in the U.S. for more than half the year, and
 - not qualify as a dependent of another person.

**There are special rules for certain groups. These can get complicated so check with the IRS.*

The EITC Assistant is an online IRS tool to help you determine if you are eligible to claim this credit. Go to: <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/use-the-eitc-assistant>.

Can I Get Help to File My Taxes?

The IRS Volunteer Income Tax Assistance (VITA) program offers free tax help from trained volunteers to low-to-moderate income taxpayers (usually those who make \$54,000 or less and who need assistance filing their taxes). VITA sites are available at many community locations and provide basic income tax return preparation.

Volunteers prepare Form 1040A, Form 1040EZ, Form 1040, and more. They can also help you with special credits such as the EITC, Child Tax Credit, and Credit for the Elderly or the Disabled if you qualify. Many VITA sites offer electronic filing, so you can receive your refund more quickly.

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The IRS also offers a program known as Tax Counseling for the Elderly, <https://www.irs.gov/individuals/tax-counseling-for-the-elderly>, which is designed to help people who are 60 or older by preparing returns and answering questions about pensions and retirement funds. IRS-certified volunteers who provide counseling are often retirees themselves who are affiliated with non-profit community assistance and social service organizations.

For more information, see the IRS guide "IRS Certified Volunteers Providing Free Tax Preparation," Publication 3676-B, <https://www.irs.gov/pub/irs-pdf/p3676bsp.pdf>.

For general information:

Indiana Works

Indiana's Work Incentive Planning and Assistance Program

Northern and Central Indiana:

1-855-641-8382 (toll free)

or

Southern Indiana:

1-800-206-6610 (toll free)

For the Benefits Information Network:



<https://www.iidc.indiana.edu/cclc>

812-855-6508