

## **WE CAN HELP!**

If you need help resolving a problem with IRS, you can contact our Low Income Taxpayer Clinic to see if you are eligible for free legal assistance.

### **WHAT WE DO**

Our LITC assists with IRS controversy issues, such as the following:

- Earned Income Tax Credit
- Examination/Audits
- Collection issues including lien and levy
- Deficiency notices
- Identity Theft
- Innocent Spouse relief
- Settling tax debts or securing installment agreements

### **WHAT WE DON'T DO**

- We are NOT a tax preparation service
- We do NOT provide substantive tax advice when there is no current issue with the IRS
- We do NOT charge clients for our services



#### **Indiana Legal Services, Inc.**

214 S. College Ave.,  
Bloomington, IN 47404  
Direct: (812)339-7668  
Toll Free: 1-800-822-4774  
tax.clinic@ilsa.net

[www.indianalegalservices.com/LITC](http://www.indianalegalservices.com/LITC)

Indiana Legal Services is a non-profit law firm that provides free legal services in civil cases for eligible, low-income people in Indiana.

Indiana Legal Services does not discriminate against any person on the basis of race, color, national origin, disability, or age.



# EITC

## The Earned Income Tax Credit



Learn more about the EITC

Who is eligible?  
How do you claim it?  
Is help available?

Indiana Legal Services, Inc.  
LOW INCOME TAXPAYER CLINIC

## What is the EITC?

The Earned Income Tax Credit (EITC) is a federal tax credit for low-income wage earners. It reduces the amount you owe on your taxes, and may even result in a refund of thousands of dollars if you qualify.

### For Tax Year 2015, the maximum credit amounts are:

- **\$6,242** with three or more qualifying children
- **\$5,548** with two qualifying children
- **\$3,359** with one qualifying child
- **\$503** with no qualifying children

## What to know about the EITC

**You must have earned income. There are two ways to get earned income: (1) you work for someone who pays you, or (2) you work in a business you own or run.**

Earned income includes wages, salaries, tips, union strike benefits, long-term disability benefits received prior to minimum retirement age; net earnings from self-employment, and gross income received as a statutory employee.

Earned income does not include interest and dividends, retirement income, social security, unemployment benefits, alimony, and child support.

## To qualify in 2015, you must meet all the following criteria:

- Have a valid Social Security Number
- Cannot use the Married Filing Separately filing status
- 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 choose to file a joint return and be treated as a resident alien
- Cannot be the Qualifying Child of another person
- Cannot file Form 2555 or Form 2555-EZ (Related to Foreign Income)
- Your investment income must be under \$3,400
- Your 2015 adjusted gross income must be less than:
  - **\$47,747** (\$53,267 married filing jointly) with three or more qualifying children
  - **\$44,454** (\$49,974 married filing jointly) with two qualifying children
  - **\$39,131** (\$44,651 married filing jointly) with one qualifying child
  - **\$14,820** (\$20,330 married filing jointly) with no qualifying children.

## To claim a Qualifying Child, each child must pass each of the following tests:

1. **Relationship test:** the child must be the taxpayer's son, daughter, stepchild, foster child, or a descendant of any of them; or the taxpayer's sibling, half sibling, step sibling, or a descendant of any of them.
2. **Age test:** the child must be under age 19 (or a full-time student under age 24) at the end of the tax year and younger than the taxpayer (or taxpayer's spouse if filing jointly), or be permanently and totally disabled at any time during the tax year, regardless of age.
3. **Residency Test:** the child must have lived with the taxpayer in the US for more than half of the tax year (*i.e.* six months plus one day).
4. **Joint Return Test:** the child must not have filed a joint return for the year unless the child and his or her spouse files a joint return only to claim a refund of income tax withheld or estimated tax paid.
5. **Social Security Number:** Qualifying Child must have a valid social security number unless the child was born or died in the tax year.