



Are you eligible to claim the Earned Income Tax Credit?

The Earned Income Tax Credit (EITC) is a federal tax benefit for people who work in the United States and have low wages. It can reduce the amount you owe on your taxes, even to nothing. You may even qualify to get more money back than the tax that was withheld, which can be thousands of dollars if you have qualifying children.

What you need to know to claim 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

If you qualify for this credit, you may be able to save THOUSANDS of dollars on your taxes, or even have money refunded to you!

For Tax Year 2014, 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

However, it is very important that you file correctly. If you do not, IRS may penalize you.

If you have a dispute with IRS because of the EITC, contact us for free legal help!

WE CAN HELP!

If your household income falls below 250% of the Federal Poverty Level and you need help resolving a problem with IRS, you can contact the our Low Income Taxpayer Clinic [LITC] for free assistance.

WHAT WE DO

Our LITC assists with the following IRS controversy issues:

- Earned Income Tax Credit
- Examination/Audits
- Collection issues including Lien and Levy
- Deficiency notices
- Assistance in Identity Theft cases
- Innocent Spouse
- 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



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 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. The Qualifying Child must have a valid social security number unless the child was born or died in the tax year.

Indiana Legal Services, Inc.

214 S. College Ave.

Bloomington, IN 47404

Direct: (812)339-7668

tax.clinic@ilsa.net

Toll Free: 800-822-4774

fax: (812)339-2081

www.indianalegalservices.org/LITC



Member organization



Find us on:

