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## **UNITED WAY ENCOURAGES RESIDENTS TO CLAIM EARNED INCOME TAX CREDIT**

Bloomington, IN -The Earned Income Tax Credit, or EITC, can make life a little easier for workers struggling to make ends meet in today's tight economy. Yet, the IRS estimates one in four eligible taxpayers may qualify for EITC but may not be aware of it.

Residents can receive free help determining their EITC eligibility and claiming the credit at five Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites in Monroe County. IRS-trained volunteers at VITA/TCE sites help qualified, low- to moderate-income residents file their federal and state tax returns for free. Eligible residents can file their taxes for free and receive 100% of their refund quickly and easily – usually in just 10 days or less.

According to United Way of Monroe County's Executive Director, Barry Lessow, "We know this has been a challenging year for many people, and encourage anyone who earned \$48,279 or less from wages, self-employment or farming in 2009 to see if they qualify. Free tax filing and EITC are two important ways families can remain financially stable in these tough times. We are fortunate to have such an active team of organizations and volunteers helping local residents file their taxes and claim this valuable credit."

Eligible residents can receive their EITC only if they file a federal income tax return – even if they are not otherwise required to file – and specifically claim the credit.

"The Earned Income Tax Credit is a great way for families to actually put more hard earned money in their pockets," City of Bloomington Mayor Mark Krizan said. "These credits can result in significant income boost - up to \$5,657 for families that qualify. The tax credits are important too because they bring federal dollars into our local economy."

U.S. Senator Richard Lugar remarked, "I join with United Way and the Monroe County VITA Community Team in encouraging local Hoosiers to determine if they are eligible for the Earned Income Tax Credit (EITC). This is money that hard working Hoosiers already have earned and can save or put back into the economy."

Congressman Baron Hill said, "I urge Hoosier families to learn about the EITC and check their eligibility. I'd also like to thank organizations like United Way of Monroe County for raising awareness about this tax credit. If my office can be of assistance in any way, please don't hesitate to call. You can reach our Bloomington office at 812-336-3000."

"Every penny counts in today's economy yet many working people fail to claim the Earned Income Tax Credit even though the Credit could put \$5,600 or more in their pockets," said Jamie Andree, Managing Attorney for Indiana Legal Services. "The IRS estimates that up to one in 4 eligible taxpayers miss out on this important source of funds because they don't claim the EITC."

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, according to Eloise Erickson, Tax Consultant, Internal Revenue Service. "Families with three or more children also get an extra boost with a larger credit this year," Erickson said.

Residents who meet federal EITC qualifications may also be eligible for Indiana's EITC, which amounts to 9 percent of the earned income credit taxpayers claim on their federal income tax returns. More information on Indiana's EITC can be found at <http://www.in.gov/dor/3803.htm#earnedincome>.

Last year the VITA Community Team helped 1,559 people receive free tax preparation, saving them over \$200,000 in fees, and helping them claim over \$350,000 in EITC.

To qualify for the EITC, taxpayers must file a tax return, even if they are not required based on income, and meet **ONE of the following income qualifications for 2009:**

- Have three or more children with earned income less than \$ 43,279 if single or \$ 48,279 46 if married and filing jointly;
- Have two children with earned income less than \$ 40,295 if single or \$ 45,295 if married and filing jointly;
- Have one child with earned income less than \$ 35,463 if single or \$ 40,463 if married and filing jointly;
- Have no children with earned income less than \$ 13,440 if single or \$ 18,440 if married and filing jointly.

In addition to meeting one of the income qualifications, taxpayers must meet **ALL** of the following requirements:

- Must have a valid [Social Security Number](#)
- You must have earned income from employment or from self-employment.
- Your filing status cannot be married, filing separately.
- You 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 filing a joint return.
- You **cannot** be a qualifying child of another person.
- If you do not have a qualifying child, you must:
  - be age 25 but under 65 at the end of the year,
  - live in the United States for more than half the year, and
  - not qualify as a dependent of another person
- Cannot file Form 2555 or 2555-EZ (related to [foreign earn income](#))

To help accurately determine their EITC eligibility and prepare their returns, taxpayers should bring the following documents to VITA/ETC sites:

- Photo identification
- Valid Social Security cards for the taxpayer, spouse and dependents
- Birth dates for primary, secondary and dependents on the tax return
- Current year's tax package, if received
- Wage and earning statement(s) Form W-2, W-2G, 1099-R, from all employers
- Interest and dividend statements from banks (Forms 1099)
- A copy of last year's federal and state returns, if available
- Bank routing numbers and account numbers for direct deposit
- Other relevant information about income and expenses
- Total paid for day care
- Day care provider's identifying number.

To learn more about the free tax preparation sites, EITC and to see if you qualify, call 211 or visit [www.monroeunitedway.org/eitc](http://www.monroeunitedway.org/eitc).

Along with the United Way of Monroe County, the participating community groups include Area 10 Agency on Aging, City of Bloomington, Ellettsville Branch Library, Indiana University [Maurer School of Law](#), Ivy Tech Community College, The Monroe County Public Library, AARP, El Centro Comunal Latino and volunteers from the IRS-sponsored VITA/TCE program.

United Way of Monroe County is a nonprofit organization that improves people's lives by addressing critical needs today and working to reduce those needs tomorrow. Through its Community Action Fund, it allocates resources to 24 member agencies that ensure Monroe County residents have the building blocks for a better life: education, earnings, and the essentials. You can find more information at [www.monroeunitedway.org](http://www.monroeunitedway.org).

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