

## What is EITC?

EITC is a credit for people who work for someone else or own or operate a business. To qualify, the amount of income you earned must be less than \$49,078. This year, the credit ranges from \$2 to \$5,751. The amount depends on:

- whether you are single or married
- if you have no, one, two or three or more children
- the amount you earned.

You have to file a federal tax return to get EITC even if you owe no tax and are not required to file. EITC is a boost to help pay your bills, fix up your place, or save for a rainy day.

## Am I eligible for EITC in 2011?

You may be if you meet the rules to claim the credit.

- You must have earned income from employment or self-employment.
- Your earned and total income must be less than:
  - \$13,660 (\$18,740 if married filing a joint return) with no qualifying children,
  - \$36,052 (\$41,132 if married filing a joint return) with one qualifying child,
  - \$40,964 (\$46,044 if married filing a joint return) with two qualifying children,
  - \$43,998 (\$49,078 if married filing a joint return) with three or more qualifying children.
- Your investment income (such as interest) must be \$3,150 or less.
- 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 and your spouse, if you file a joint return, must have a valid Social Security number (SSN).
- You and your spouse, if you file a joint return, cannot be a qualifying child of another person.
- You, and your spouse, if you file a joint return, must have a qualifying child but 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.

\* U.S. military personnel on extended active duty outside the United States are considered to live in the United States while on active duty.

## Who is a qualifying child?

A child who meets the relationship, age, residency, and joint return tests is a qualifying child. Your credit amount may be larger if you have a child who:

- Is your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.

- At the end of the year was:
  - younger than you (or your spouse if filing a joint return) and under age 19, or
  - younger than you (or your spouse if filing a joint return), under age 24 and a full-time student, or
  - any age if permanently and totally disabled at any time during the year.
- Must not have filed a joint return, unless the return was filed to receive a refund only and neither spouse is required to file a tax return.
- Lived with you in the United States for more than half the year.

An adopted child, including a child placed with you for adoption, is treated as your own child.

A foster child is any child placed with you by an authorized placement agency or a court.

## What if I have the same qualifying child as someone else?

If two or more persons have the same qualifying child for EITC, dependency exemption, child tax credit, head of household filing status, or credit for child and dependent care expenses, only one person can claim the child as a qualifying child for all these benefits. Person claiming child other than parent must have a higher Adjusted Gross Income (AGI) than parent.

Otherwise, you must decide who will claim the benefits, including EITC, using that qualifying child. If you cannot agree, and more than one person uses the same child, the tiebreaker rules apply.

## What are the tiebreaker rules?

The tiebreaker rules state the child is treated as a qualifying child only of:

- The parents, if they file a joint return. The parent, if only one of the persons is the child's parent, or
- The parent the child lived with the longest during the year, if two of the persons are the parents and they do not file a joint return together, or
- The parent with the highest AGI, if the child lived with each parent for the same amount of time during the year and they do not file a joint return together, or
- The person with the highest AGI if no parent can claim the child as a qualifying child or
- A person with the higher AGI than any parent who can also claim the child as a qualifying child but does not.

## What is a valid Social Security number?

You (and your spouse if filing jointly) must have a valid Social Security number (SSN) to claim EITC. Any qualifying child listed on Schedule EIC must also have a valid SSN. SSNs are issued only by the Social Security Administration. To get one, you must prove your U.S. citizenship or immigration status, age, and identity.

- If you are an alien who is not a permanent resident and have a Social Security card that says VALID FOR EMPLOYMENT ONLY WITH INS/DHS AUTHORIZATION, you have a valid SSN for EITC.
- If you obtained your SSN only to receive a federally funded benefit, such as Medicaid, it is not valid for claiming EITC. The Social Security card usually says NOT VALID FOR EMPLOYMENT.
- If you (or your spouse if filing jointly) have an Individual Taxpayer Identification Number (ITIN), it is not valid for claiming EITC.
- If a child has an ITIN or an Adoption Taxpayer Identification Number (ATIN), it is not valid for claiming that child for EITC.

## What is earned income?

It is income you get from working for yourself or for an employer. Here are some examples of earned income:

- taxable wages, salaries and tips
- net earnings from self-employment
- gross income received as a statutory employee

Earned income does not include:

- nontaxable employee benefits such as education assistance
- pensions, alimony, child support, and Temporary Assistance for Needy Families (TANF)

Special earned income rules apply for members of the U.S. Armed Forces in combat zones, members of the clergy, and those with disability retirement income.

## How do I figure my EITC?

If you qualify to claim it, you can figure the credit yourself or have the IRS figure it for you. Either way, you can use Publication 596, Earned Income Credit, for requirements, worksheets, and examples or use the EITC Assistant at [www.irs.gov/eitc](http://www.irs.gov/eitc).

Keep in mind:

- If you are claiming a qualifying child, you must complete and attach Schedule EIC to your return.
- If your EITC for 1997 or later was denied or reduced by the IRS as the result of an audit, to claim the credit for 2011 you need to attach Form 8862, Information to Claim Earned Income Credit After Disallowance, to your return.

## How can I get help?

- Go to [www.irs.gov/eitc](http://www.irs.gov/eitc) for free information and forms. And, the interactive EITC Assistant can show you if you qualify.
- Visit a Volunteer Income Tax Assistance (VITA) site or call 1-800-906-9887 for free help and tax preparation.
- Use Free File at [www.irs.gov](http://www.irs.gov), your link to free online filing through commercially available tax preparation software.
- Find a qualified tax preparer.
- Call 1-800-TAX-1040 for tax help and VITA site locations.
- Call 1-800-TAX-3676 for free IRS publications and forms.
- Call 1-800-TAX-4059 if you have access to TTY/TDD equipment for the hearing impaired.

## ¿Qué es el Crédito Tributario por Ingreso del Trabajo (EITC, por sus siglas en inglés)?

Es un crédito tributario destinado a las personas que trabajan para alguien, son dueños de un negocio u operan un negocio. Para reunir los requisitos del crédito, la cantidad del ingreso que ganó tiene que ser menor de \$49,078. Este año, el crédito varía desde \$2 hasta \$5,751. La cantidad depende de:

- si es soltero o casado
- si no tiene hijos o tiene uno, dos, o tres o más hijos
- la cantidad que ganó

Para recibir el *EITC*, tiene que presentar la declaración de impuestos federal, aun si no adeuda impuestos y no se le requiere presentar la declaración. El *EITC* es un estímulo para ayudarle a pagar sus cuentas, arreglar su vivienda o ahorrar.

## ¿Acaso reúno los requisitos para el EITC en 2011?

Usted podría reclamar el crédito si cumple con los requisitos.

- Usted tiene que haber recibido ingreso del trabajo como empleado o del trabajo por cuenta propia.
- Su ingreso del trabajo y su ingreso total tienen que ser menores de:
  - \$13,660 si no tiene hijos calificados (\$18,740 si es casado que presenta una declaración conjunta)
  - \$36,052 si tiene un hijo calificado (\$41,132 si es casado que presenta una declaración conjunta)
  - \$40,964 si tiene dos hijos calificados (\$46,044 si es casado que presenta una declaración conjunta)
  - \$43,998 si tiene tres o más hijos calificados (\$49,078 si es casado que presenta una declaración conjunta)
- Su ingreso de inversiones (por ejemplo, intereses) tiene que ser de \$3,150 o menos.
- Su estado civil para efectos de la declaración no puede ser casado que presenta la declaración por separado.
- Usted tiene que ser ciudadano o extranjero residente de los Estados Unidos todo el año o extranjero no residente que está casado con un ciudadano o extranjero residente de los Estados Unidos y que presenta una declaración conjunta.
- Usted y su cónyuge, si presenta una declaración conjunta tiene que tener un número de Seguro Social válido (*SSN*, por sus siglas en inglés).
- Usted y su cónyuge, si presenta una declaración conjunta no puede ser el hijo calificado de otra persona.
- Usted (y su cónyuge si presenta una declaración conjunta) tiene que tener un hijo calificado pero si no tiene un hijo calificado, usted:
  - tiene que tener al menos 25 años de edad, pero menos de 65 años de edad al final del año,
  - tiene que residir en los Estados Unidos\* durante más de la mitad del año y
  - no puede reunir los requisitos como dependiente de otra persona.

\* Se considera que el personal militar de los Estados Unidos que presta servicio activo prolongado fuera de los Estados Unidos vive en los Estados Unidos mientras presta el servicio activo.