



News Release

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IRS and Partners Mark EITC Awareness Day with Nationwide Events; EITC Could Mean Bigger Refunds for Millions of Taxpayers

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WASHINGTON — The Internal Revenue Service and community partners nationwide today kicked off EITC Awareness Day to promote a tax credit that could be a critical financial lifeline to many Americans this year.

The agency also announced many of its Taxpayer Assistance Centers will be open on some Saturdays in February to help taxpayers who are eligible for the Earned Income Tax Credit. Last year, nearly 24 million taxpayers received approximately \$48 billion from EITC. The average EITC amount was \$2,000.

Difficult economic times may mean more people are eligible for EITC because of reductions in their income last year. The amount of the EITC, the government's largest tax benefit program for working families and individuals, is determined by earned income and family size.

"Many Americans experienced financial hardships last year. People may be eligible for EITC for the first time and really should check out their eligibility. This is a significant credit that can make their lives a little easier," said IRS Commissioner Doug Shulman. "EITC can provide a real dollars and cents boost when it's needed most."

The Internal Revenue Service and community partners nationwide today kicked off EITC Awareness Day to promote the refundable tax credit and options for free tax preparation. At least 85 news conferences nationwide are scheduled; another 93 organizations are issuing news releases. Events are tied to the deadline for employers sending to workers their Forms W-2 which will enable people to file their tax returns. Also, more than half of all EITC claims are filed in February.

For the 2008 tax year, the maximum credit is \$4,824 for a family with two or more children; \$2,917 for a family with one child and \$438 for a childless taxpayer. Please see Fact Sheet 2009-9 for all eligibility requirements.

Generally, earned income and adjusted gross income must each be less than:

- \$38,646 (\$41,646 married filing jointly) with two or more qualifying children;
- \$33,995 (\$36,995 married filing jointly) with one qualifying child;
- \$12,880 (\$15,880 married filing jointly) with no qualifying children.

The maximum amount of investment income is \$2,950 for tax year 2008. For families, there also are certain requirements for child residency and relationship that must be

met. Also, unemployment benefits are considered in AGI calculations but are not considered earned income.

Even in better times, IRS research indicates that one in four eligible taxpayers fails to claim EITC each year. Eligibility requirements can be complex. Those missing out include people who have earned income but may not have a filing requirement, non-English speakers, non-traditional families, the homeless, childless workers and rural residents.

For example, people over age 65 usually are not eligible. However, if they are raising a grandchild who meets certain requirements, they may be eligible for EITC. Workers who do not have a child or who do not live with their own child may be unaware that they still are eligible for a credit. Military families also have the options of calculating combat pay or leaving out, which ever may be more beneficial.

Community coalitions and IRS partners across the nation marked EITC Awareness Day with a series of local news conferences or news releases promoting this refundable tax credit for low-wage taxpayers. These organizations operate thousands of free tax preparation sites for low-income individuals, for seniors and for other eligible taxpayers in every state.

“The IRS wants all eligible taxpayers to claim this important tax credit. We also want people to know that free help is available. There are thousands of volunteers staffing free tax-help sites nationwide. And, many professional tax preparers also donate their time and services to low-income taxpayers,” said Shulman. “The IRS will do its part by opening its doors on some Saturdays to help EITC taxpayers.”

The IRS also will open 172 Taxpayer Assistance Centers beginning Saturday January 31. The special Saturday assistance also will be available on Feb. 7 and Feb. 21. A list of TAC openings for EITC Awareness Day is available at IRS.gov, under “[Contact My Local Office](#).”

EITC claimants are eligible for free tax preparation services provided at nearly 12,000 volunteer sites nationwide. They can also use Free File through IRS.gov if they wish to prepare their own returns. Free File offers a choice of free tax preparation software or fillable forms and free electronic filing but only through www.irs.gov.

Nearly 70 percent of all EITC returns are prepared by a third party or tax professional. Tax preparers and taxpayers can find a wealth of information at [EITC Central](#), which includes statistics, online tools and marketing products. Both also can use the [EITC Assistant](#), which is an easy-to-use interactive tool to help determine if the taxpayer is qualified for EITC. The EITC Assistant also is available in [Spanish](#).

The credit was created in 1975 in part to offset the burden of Social Security taxes and to serve as a work incentive. The amount of the credit varies but it is generally determined by income and family size. Some states also have a local version of EITC also can increase a taxpayer’s refund.