

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

Special Rules Help Many People With Disabilities Qualify for the Earned Income Tax Credit; Up to 1.5 Million Fail to Claim Valuable Benefit

IRS YouTube Video

Claiming EITC or ACTC? Your Refund May Be Delayed: [English](#) | [Spanish](#) | [ASL](#)

IR-2017-07, Jan. 23, 2017

WASHINGTON – The Internal Revenue Service wants taxpayers with disabilities and parents of children with disabilities to be aware of the Earned Income Tax Credit (EITC) and correctly claim it if they qualify.

The EITC is a federal income tax credit for workers who don't earn a high income (\$53,505 or less for 2016) and meet other [eligibility requirements](#). Because it's a refundable credit, those who qualify and claim the credit could pay less federal tax, pay no tax or even get a tax refund.

The EITC could put an extra \$2 or up to \$6,269 into a taxpayer's pocket. Nevertheless, the IRS estimates that as many as 1.5 million people with disabilities miss out on this valuable credit because they fail to file a tax return. Many of these non-filers fall below the income threshold requiring them to file. Even so, the IRS urges them to consider filing anyway because the only way to receive this credit is to file a return and claim EITC.

To [qualify for EITC](#), the taxpayer must have earned income. Usually, this means income either from a job or from self-employment. But taxpayers who retired on disability can also count as earned income any taxable benefits they receive under an employer's disability retirement plan. These benefits remain earned income until the disability retiree reaches minimum retirement age. The IRS emphasized that social Security benefits or Social Security Disability Income (SSDI) do not count as earned income.

Additionally, taxpayers may claim a child with a disability or a relative with a disability of any age to get the credit if the person meets all other EITC requirements. Use the [EITC Assistant](#), on IRS.gov, to determine eligibility, estimate the amount of credit and more.

People with disabilities are often concerned that a tax refund will impact their eligibility for one or more public benefits, including Social Security disability benefits, Medicaid, and Food Stamps. The law is clear that tax refunds, including refunds from tax credits such as the EITC, are not counted as income for purposes of determining eligibility for benefits. This applies to any federal program and any state or local program financed with federal funds.

The best way to get the EITC is to file electronically: through a [qualified tax professional](#); using free community [tax help sites](#); or through [IRS Free File](#).

Many EITC filers will receive their refunds later this year than in past years. That's because a new law requires the IRS to [hold refunds](#) claiming the EITC and the Additional Child Tax Credit (ACTC) until mid-February. The IRS cautions taxpayers that these refunds likely will not start arriving in bank accounts or on debit cards until the week of Feb. 27. Taxpayers claiming the EITC or ACTC should file as soon as they have all of the necessary documentation together to prepare an accurate return. In other words, file as they normally would.

The IRS and partners nationwide will hold the annual EITC Awareness Day on Friday, Jan. 27, 2017 to alert millions of workers who may be missing out on this significant tax credit and other refundable credits. One easy way to support this outreach effort is by participating on the IRS [Thunderclap](#) to help promote #EITCAwarenessDay through social media. For more information on EITC and other refundable credits, visit the [EITC](#) page on IRS.gov.

See Also:

- [Publication 3966](#), Living and Working with Disabilities
- [Publication 907](#), Tax Highlights for Persons with Disabilities