

WHAT IS THE EARNED INCOME CREDIT?

By Mrs. Jane Winand, Office of the Staff Judge Advocate

The Earned Income Credit (EIC) is a special tax benefit for taxpayers who earned a low or moderate income. It serves an important purpose because it reduces the tax burden incurred by these taxpayers, and helps to supplement their wages.

Taxpayers who qualify for the EIC and file a federal tax return can get back some, if not all, of the federal income tax that was taken out of their pay during the year. They may also get extra cash back from the IRS. So, even taxpayers whose earnings are too small to owe income tax can still get the EIC.

Who can get the EIC and how much is it worth?

Single or married people who worked full-time or part-time at some point in 2009, have a social security number, and have at least some earned income can qualify for the EIC, depending on the amount that income.

- Taxpayers who were raising one child in their home and had family income of less than \$35,463 (or \$40,463 for married filing jointly) in 2009 can get an EIC of up to **\$3,043**.
- Taxpayers who were raising two children in their home and had family income of less than \$40,295 (or \$45,295 for married filed jointly) in 2009 can get an EIC of up to **\$5,028**.
- Taxpayers who were not raising children in their home, were between ages 25 and 65 on December 31, 2009, and had income below \$13,440 (or \$18,440 for married filed jointly) can get an EIC up to **\$457**.

What is a qualifying child for the EIC?

- Sons, daughters, stepchildren, grandchildren and adopted children
- Brothers, sisters, stepbrothers, or stepsisters, as well as descendants of such relatives — if they were cared for as members of the family
- Foster children who are placed with the taxpayer by an authorized government or private placement agency
- “Qualifying children” must have lived with the taxpayer for more than half of the year. They must also be under the age of 19, under the age of 24 if they are full-time students.
- Totally and permanently disabled children of *any age* also may be qualifying children.
- Valid Social Security numbers are required for qualifying children born before December 31, 2009.

If you have any questions about the EIC or are curious as to whether or not you qualify for this credit, just stop by the Fort Meade Tax Assistance Center, located at the Office of the Staff Judge Advocate, 4217 Roberts Avenue. You can sit down with one of our volunteer tax preparers and we can go over all of your tax information and determine if you can claim the EIC on your 2009 tax return. Call for an appointment at (301) 677-9762.