

Earned Income Credit (EIC or EITC)

What is the EIC?

The Earned Income Credit (EIC) is a refundable federal income tax credit for low-income working individuals and families. You do not need to owe taxes to receive the EIC. For the 2010 tax year, the maximum credit is \$5,666.

How does it work?

The amount of the EIC refund is based on family size, filing status and income. To receive the EIC, taxpayers must have earned income and must file a federal tax return. The EIC does not disqualify or qualify recipients for public benefits.

Income Limits (Preview of the 2010 tax year)

Number of Qualifying Children	Adjusted Gross Income, Single*	Adjusted Gross Income, Married Filing Jointly*	Maximum Credit (Annual)
0	\$13,460	\$18,470	\$457
1	35,535	40,545	3,050
2	40,363	45,373	5,036
3 or more	43,352	48,362	5,666

*Gross income includes money, goods, property, and services. Adjusted gross income is income minus allowed deductions, such as alimony, IRA contributions, health savings account contributions and one-half of self-employment tax (NOT itemized deductions or credits).

Source: Internal Revenue Service. Preview 2010 EITC Income Limits. 22 June 2010.
<http://www.irs.gov/individuals/article/0,,id=215766,00.html>.

How does one apply?

- File a federal income tax return.

Additional information on the credit can be found on the [IRS's EIC page](#) (IRS Publication 596).

If you would prefer, you can have the IRS calculate your credit. You can also use the EIC Assistant at www.irs.gov/EIC, which will tell you whether or not you are likely eligible. The EIC Assistant is available in English and Spanish.

The [Volunteer Income Tax Assistance Program](#) (VITA) offers free tax help by trained volunteers at local sites. Volunteers provide free basic income tax return preparation to people with earned incomes of approximately \$49,000 (in 2010) or less.

The Tax Counseling for the Elderly (TCE) Program provides free tax help for people age 60 and older. AARP offers the [Tax-Aide counseling program](#) at more than 7,000 sites nationwide during the filing season.

Contact Information

Internal Revenue Service

IRS Taxpayer Assistance Center (TAC)

11510 Georgia Ave

Wheaton, MD 20902

Phone: (202) 283-8097