

EARNED INCOME TAX CREDIT PUTS MONEY IN YOUR POCKET

Federal and State Tax Credits can add up – See if you qualify

From the office of Erie County Clerk Michael P. Kearns

If you worked in the past year and earned \$58,000 or less, you can get your federal and state taxes e-filed for free, and you may qualify for the Earned Income Tax Credit (EITC). That is why I am pleased that the Erie County Clerk's Office is raising awareness of the critical support of the United Way's MyFreeTaxes program. United Way provides MyFreeTaxes in partnership with the IRS's Volunteer Income Tax Assistance (VITA) program to help filers prepare their tax returns on their own or have their return prepared for them for free.

Let VITA help you navigate through the somewhat confusing aspects of tax preparation including applying for the Earned Income Tax Credits. The VITA Program has become even more vital during the pandemic by increasing the stability of low to moderate income families by opening access to tax credits and other benefit programs and offering free tax preparation services to help working families and individuals file tax returns.

If you are not familiar with the Earned Income Tax Credit, here is some basic information.

The EITC is a federal tax benefit was created by the federal government in 1975 to benefit low-income and working families in an effort to reduce poverty and grow the economy. It is a refundable credit based upon your earned (W-2) income and it usually increases as you add qualified dependents. Here is how it works. If the amount of tax credit the worker qualifies for is more than the taxes owed, the worker will receive a tax refund.

To qualify for the EITC, you must meet the basic qualifying rules which include:

- Have worked and [earned income](#) under \$57,414
- Have investment income below \$10,000 in the tax year 2021
- Have a [valid Social Security number](#) by the due date of your 2021 return (including extensions)
- Be a [U.S. citizen or a resident alien](#) all year
- Not file Form 2555 (related to [foreign earned income](#))

2021 Earned Income Tax Credit Requirements:

Number of Children	Single Maximum Income	Married Filing Jointly Maximum Income	Maximum EITC
No children	\$21,430	\$27,380	\$1,502

1 child	\$42,158	\$48,108	\$3,618
2 children	\$47,915	\$53,865	\$5,980
3 or more children	\$51,464	\$57,414	\$6,728

The IRS estimates that four out of five workers claim the EITC, which means millions of taxpayers are putting EITC dollars to work for them. Nationwide last year, over 25 million eligible working families and individuals received nearly \$60 billion in EITC. The average amount of EITC received nationwide was \$2,411 and in NYS the amount was \$2,284. Those EITC dollars had a significant impact on the lives and communities of the nation's lowest paid working people. The EITC can contribute a substantial amount of money to families who are struggling to make ends meet, as much as \$6,728 depending on the size of the family.

If you think you may qualify for the Earned Income Tax Credit, I encourage you to have your return prepared through the IRS' VITA program before the filing deadline of April 18th, 2022. Call 2-1-1 to make an appointment and find a free tax preparation site near you (dial 2-1-1 or 1-888-696-9211), text your zip code to 898-211, or visit myfreetaxes.com to get started.