

Texas Workforce Press Release

FOR IMMEDIATE RELEASE

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Texans Get Help Filing for Earned Income Tax Credit

AUSTIN – The Texas Workforce Commission encourages qualifying taxpayers to take advantage of the federal Earned Income Tax Credit (EITC), which allows lower-income individuals and families to pay less or no federal tax, or receive cash payments. Tax preparation services or community site referrals are offered statewide through the 28 local workforce development boards. The deadline to file 2009 federal income tax returns is April 15, 2010.

EITC inserts have been included in the mailings of 1099 tax forms to all Calendar Year (CY) 2009 Unemployment Insurance (UI) claimants. Services provided by local workforce boards vary statewide. Assistance can include providing tax filers with free tax preparation services, helpful tax information or free-site location referrals, and bookmarking Internal Revenue Service EITC Web sites on computers in workforce center resource rooms, which provide information on EITC and various local Volunteer Income Tax Assistance (VITA) sites in Texas. Taxpayers can locate their nearest local workforce development board by visiting www.twc.state.tx.us/dirs/wdbs/wdbmap.html

The IRS estimates that in 2008 more than 2.3 million Texans claimed more than \$5.3 billion in EITC credits, with an average refund of \$2,313. In recent years, Texas has ranked first in the nation in the number of EITC dollars claimed by taxpayers. Despite the credit's availability, however, the IRS estimates that as many as 20 to 25 percent of Americans who qualify for the credit fail to claim it on their tax returns.

Under certain limitations for 2009, individuals may qualify if their adjusted gross income is less than:

- \$43,279 (\$58,279 married filing jointly) with three or more qualifying children;
- \$40,295 (\$45,295 married filing jointly) with two or more qualifying children;
- \$33,241 (\$35,463 married filing jointly) with one qualifying child;
- \$13,400 (\$18,440 married filing jointly) with no qualifying children.

The maximum credit for 2009 is as follows:

- \$5,657 with three or more qualifying children;
- \$5,028 with two or more qualifying children;
- \$3,043 with one qualifying child;
- \$457 with no qualifying children.

Investment income must be less than \$3,100 for the year.

EITC has no effect on an individual's eligibility to receive certain public assistance benefits. In most cases, the credit payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments.

Congress originally approved the tax credit legislation in 1975 to provide an incentive to work and to offset Social Security taxes.

More information on EITC can be found at www.eitc.irs.gov/central/main/

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.