

# Are you getting all the credit you deserve?

## Earned Income Tax Credit

If you're like millions of Americans, you work hard but you don't earn a high income, and want to keep more of what you earn. The Earned Income Tax Credit (EITC) is a credit for people who earn low-to-moderate incomes. EITC can reduce your taxes, and give you a bigger refund. This year, the maximum credit is \$5,657, for families with 3 or more qualifying children.

## Will you qualify for EITC this year?

If you had income from work in 2009, and your total income is less than \$48,279, you may be eligible for the Earned Income Credit. You can find out by answering some questions and providing basic income information using the [EITC Assistant](#). Available in English and Spanish.

## Don't want to wait for your tax refund to benefit from the EITC?

If you have qualifying children, you can have some of their EITC included in each paycheck by requesting the Advanced Earned Income Credit. Fill out Form W-5 and give to your employer. The maximum of Advance EITC workers can receive from their employers is \$1,826.

## Tax Year 2009 maximum credit:

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

## To be eligible Earned Income and adjusted gross income (AGI) must each be less than:

- \$43,279 (48,279 married filing jointly) with three or more qualifying children
- \$40,295 (\$45,295 married filing jointly) with two qualifying children
- \$35,463 (\$40,463 married filing jointly) with one qualifying child
- \$13,440 (\$18,440 married filing jointly) with no qualifying children

For more information on the EITC, go to [www.irs.gov/eitc](http://www.irs.gov/eitc) or check out [Publication 596](#).

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## Child & Dependent Care Credit

If you are paying to care for your child or other dependent while you work or go to school, you may be eligible for the Child & Dependent Care Credit. You must have earned income during the year in order to receive this credit. For more information, see [Publication 503](#).

## New Tax Benefits for 2009:

The American Recovery & Reinvestment Act (ARRA) includes several new provisions that may also reduce your tax bill and increase your refund:

- **Making Work Pay Credit** -- Most wage earners have already seen a larger paycheck as a result of the changes made to the federal income tax withholding tables to implement the Making Work Pay tax credit. However, people who have already received the Economic Recovery Payment through Social Security or the Veteran's Administration, people who work more than one job, or married couples where both spouses work may find that the changes built into the withholding tables result in less tax being withheld than they need. You can check using the [IRS withholding calculator](#).
- **First Time Homebuyers Credit** -- If you close on your first home before December 1, 2009 you may be eligible for a refundable credit of up to \$8,000, with no payback requirement. This can be a house, condo, or mobile home, as long as you haven't owned a home in the prior 3 years. The credit phases out for taxpayers with adjusted gross income in excess of \$75,000 (\$150,000 in the case of a joint return).
- **Residential Energy Property Credit** -- This credit applies to energy-efficient improvements such as adding insulation, energy efficient exterior windows and energy efficient heating and air conditioning systems, for you main home.
- **Additional Child Tax Credit** -- the minimum earned income amount used to calculate the additional child tax credit is reduced to \$3,000, which permits more taxpayers to use the additional child tax credit and increases the amount of the payments they may receive.
- **American Opportunity Credit** -- The new education credit modifies the existing Hope Credit for tax years 2009 and 2010, increasing the maximum amount to \$2,500 and allowing required course materials such as books, in addition to tuition and fees to be used in figuring the credit. Up to 40% of the credit is refundable, meaning that even taxpayers with little or no tax liability can benefit from this credit.
- **Up to \$2,400 in Unemployment Benefits Tax Free in 2009**

Get more information at the [IRS ARRA Information Center](#).

## To claim the EITC and other tax benefits, you must file a tax return.

If you need help doing your taxes, you may be able to get assistance at a volunteer tax preparation site. These volunteers are trained and certified by the IRS to prepare and e-file basic tax returns FREE OF CHARGE. Find a list of volunteer tax preparation sites at [Alaska 2-1-1](#) or speak directly with an Information and Referral Specialist by dialing 2-1-1 or 1-800-478-2221 between 8:30 a.m. and 5:00 p.m. Monday through Friday.