

Earned Income Tax Credit for Tax Year 2011

Need More Money to Pay Bills?



Get up to \$5,751 with the Earned Income Tax Credit even if you don't owe any Federal Income Tax for 2011.

Find out more. 



Visit Our Web Site at <http://www.extension.unh.edu/Money/Money.htm>
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Earned Income Tax Credit for Tax Year 2011

The Earned Income Tax Credit for tax year 2011 lets some working families with children and some workers without children pay less Federal income tax or get money back.

How Much Will I Get?

- For workers between age 25 and 64 on 12/31/11 with no children, up to \$464.
- For workers with one child, up to \$3,094.
- For workers with more than two children, up to \$5,112.
- For workers with three or more children, up to \$5,751.

Can I Get My Money Fast?

Yes...There are 2 ways you can get your money quickly. Go to an IRS certified VITA/TCE volunteer tax preparer and pay nothing. OR, pay a tax preparer up to \$200 and sometimes more to get your money fast. By going to an IRS VITA/TCE volunteer tax preparer, your refund will come to your bank account in 10 to 14 days.

Why pay someone to prepare your taxes when you can get it done for free?

Can I Qualify?

- General Rules
 - You must have earned income
 - You must have a social security number
 - Your filing status can't be "Married filing separately."
 - You must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien filing a joint return.

How Can I Get Free Help Preparing My Taxes?

Go to <http://www.211nh.org> or dial 2-1-1, or go to <http://www.irs.gov> to find out where the nearest free IRS certified VITA/TCE tax preparation site is located. IRS certified volunteers are trained to help you fill out the tax forms including Schedule EIC. There is no charge. Keep all of the money owed you by going to a free tax preparation site.

If you do qualify for the Earned Income Tax Credit, you may be interested in electronic filing. Free electronic filing is available in New Hampshire at some of the IRS certified VITA/TCE tax preparation sites. Also, to electronically file for free go to: <http://www.irs.gov> and click on efile.

What Should I Bring To The Tax Preparation Site:

- Tax Forms
 - Copy of 2010 return
 - W-2 forms from all 2011 jobs
 - 1099-G (unemployment)
 - 1099-INT (bank interest)
 - 1099-MISC (miscellaneous)
 - 1099-R (retirement)
 - W-2G (gambling winnings)
- Other Information
 - Valid photo ID
 - Social security numbers of all household members
 - Name, address, and tax identification number of child care provider
 - Amount of money paid to child care provider in 2011
 - Saving and checking routing and account numbers

See If You Qualify 

What Counts As Earned Income?

Earned income includes all income you get from working. To get the Earned Income Tax Credit, you had to work part-time or full-time in 2011 and have earned income.



Taxable Earned Income

- Salary, Wages, Tips
- Net earnings from self-employment
- Union strike benefits
- Long-term disability benefits received prior to minimum retirement age

Doesn't Count As Earned Income

- TANF
- SSI
- Social Security Disability Insurance
- Food Stamps
- Child Support
- Alimony
- Social Security Benefits
- Workers' Compensation
- Interest and Dividends
- Pensions or Annuity
- Earnings for work performed while an inmate at a penal institution
- Combat zone excluded pay*
- Military basic housing and subsistence allowances
- Veterans' Benefits
- Unemployment Compensation
- Taxable scholarship or fellowship grants that aren't reported on Form W-2
- Non-taxable foster care payments

* You can choose to include as earned income. See IRS Publication 17 for details.

How Much Money Can I Earn and Still Get the Earned Income Tax Credit?

• Workers With Children

You must have earned income during 2011 and your investment income can't be more than \$3,150. The earned income could be from a business of your own or from someone paying you for work. Adjusted gross income must be less than \$36,052 (or \$41,132 for married filing jointly) if you have one qualified child. If you have two qualified children, adjusted gross income must be less than \$40,964 (or \$46,044 for married filing jointly). If you have three or more qualified children, adjusted gross income must be less than \$43,998 (or \$49,078 for married filing jointly).

You must check one box in each of the 3 parts below to qualify:

Part 1 - Child:

- son daughter
- adopted child grandchild
- stepchild
- foster child placed by an authorized government or private placement agency.
- cared for sister, brother, stepsister, stepbrother as you would your own child

The child doesn't have to be your dependent to be a qualifying child unless he or she is married.

Part 2 - How old at the end of 2011:

- under 19
- under 24 & full-time student
- any age & totally and permanently disabled

Part 3 - In 2011, my child lived with me?:

- more than six months

• Workers Without Children

You must be at least age 25 and under age 65. Your earned income during 2011 must be less than \$13,660 (or \$18,740 for married filing jointly) and your investment income can't be more than \$3,150. You can't be the dependent of another person. You must have lived in the United States for more than half of the year. If you meet these criteria, you can get up to \$464.

How Do I Get My Earned Income Tax Credit?

- Workers with children, file Form 1040 or Form 1040A and attach Schedule EIC. Married workers must file a joint return to get the EIC.
- Workers without children, file Form 1040 or Form 1040A or Form 1040EZ.

Where Do I Find The Forms?

Forms can be found at all libraries, IRS offices and VITA sites. Forms can be found at some post offices and banks or the IRS Website at <http://www.irs.gov>

You can't take the credit if you were the qualifying child of another person in 2011.



How Does The EITC Help Me?

EITC is a financial boost for working people in a recovering economy. While the credit has been making the lives of workers a little easier for more than 37 years, millions of workers who saw their earnings drop in 2011 may qualify for the first time. Anyone with earnings under \$49,078 should see if they qualify at www.irs.gov/eitc, or by visiting a volunteer tax assistance site or local IRS Taxpayer Assistance Center. If you qualify, just imagine what you could do with the extra money from the EITC. Here are just a few ideas:

- Start saving for a rainy day. Be prepared to face the unexpected with a little savings stashed away.
- Think about the future. Ask your tax preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Complete IRS Form 8888 with your tax return and watch your savings grow.
- Give your car a tune-up or have it repaired to get to work and appointments with less stress and worries.
- Make needed repairs on your home. Look into weatherization programs to reduce heating costs.
- Get caught up on bills.

Remember, the EITC can put money in your pocket.

Life's A Little Easier With EITC