



WS 20 - 01
January 27, 2020
Basic/Expanded Service
Expires: Continuing

To: Career Offices

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Subject: Federal Tax Credits and No-Cost Tax Filing Assistance

Purpose

To promote and provide updated information on federal tax credits and no-cost tax filing assistance for TANF recipients and other low-income workers.

This issuance replaces WS 19-01 Federal Tax Credits and No-Cost Tax Filing Assistance.

Background

The [Earned Income Tax Credit](#) (EITC) is a federal income tax credit for low-income working individuals and families.

The [Child Tax Credit](#) (CTC) is a federal income tax credit for low-income working families with one or more children.

- The EITC and CTC often result in a refund to low-income households who file a return.
- To qualify for these credits, taxpayers *must* file a tax return, even if they did not earn enough money to be obligated to file a tax return. A qualifying taxpayer must file a return and claim applicable credits in order to receive them.
- EITC and CTC refund payments do not count as income when applying for or renewing benefits like Supplemental Nutrition Assistance (food stamps), Supplemental Security Income (SSI), Medicaid, Temporary Assistance for Needy Families (TANF) cash assistance, or public housing.

The Volunteer Income Tax Assistance (VITA) program offers free tax help for low-to-moderate income households (generally, those that made \$55,952 or less), persons with disabilities, the elderly and limited English-speaking taxpayers who need assistance in filing a federal tax return. VITA sites are generally located at community and neighborhood centers, libraries, schools and shopping malls. Most locations also offer free electronic filing. A list of VITA sites is available on the IRS Website at [List of VITA Sites](#) or by calling 1-800-906-9887.

Promoting the Credits

Career office contractors and managers will make sure the staff promotes the tax credits to customers who are tagged in TANF/Choices and who are working or have worked during the past year.

The Internal Revenue Service (IRS) has created flyers in [English](#) and [Spanish](#) that can be shared with customers and displayed in the resource room.

Action

1. Make sure all offices display the EITC and CTC posters in [English](#) and [Spanish](#) in resource rooms.
2. Make sure all office managers, supervisors, personal service representatives, employment counselors and other appropriate staff are aware of the EITC and where customers can go for free tax help.
3. Make sure staff promotes the use of the tax credits, and tax filing, to individuals tagged in TANF/Choices who are working or have worked during the past year.

Attachment

1. Earned Income Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) Eligibility Chart

Questions

Staff should ask questions of their supervisors first. Direct questions for Board staff through the [Submit a Question](#) link.

Attachment 1

Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) Eligibility Chart				
EITC				CTC
Income				
Income Limits and EITC Amount				
Children	Single	Married	EITC up to:	Must earn more than \$2,500 Credit up to \$2,000 per child Investment income — no limits
None	\$15,570	\$21,370	\$529	
1	\$41,094	\$46,884	\$3,526	
2	\$46,703	\$52,493	\$5,828	
3 or more	\$50,162	\$55,952	\$6,557	
Investment income — \$3,600				
Sources of Income				
Wages, salary, tips, employer-based disability, self-employment earnings, military combat pay, union strike benefits				
Taxpayer ID Number				
Valid social security number that permits work in the U.S. for tax filer, spouse, and children			Valid social security number (SSN) or Individual Taxpayer Identification Number (ITIN) for tax filer and spouse; children must have a SSN	
Filing Status				
Cannot be married filing separately			Any	
Age Requirement				
Must be between 25 and 64 years of age (workers without children)			Any	
Child Qualifications (workers with children)				
Relationship				
<ul style="list-style-type: none">Son, daughter, grandchild, stepchild or adopted childYounger sibling, step-sibling, half-sibling, or their descendentFoster child placed with the worker by a government agency				
Residency				
Must live with the worker in the U.S. for more than half the year			Must live with the worker in the U.S. for more than half the year. Exception: A non-custodial parent who is permitted by a divorce or separation agreement to claim the child as a dependent.	
Age of Child				
Under 19, under 24 if a full-time student, or any age if totally and permanently disabled			Under 17	
Dependency				
Not required (except for a claim by a married parent who separated from his or her spouse during the first half of the year)			Children claimed must be considered a dependent for tax filing purposes	
Tax Forms				
Form 1040 Schedule EIC (workers with children)			Form 1040 Schedule 8812 “Additional Child Tax Credit”	