



South Carolina
Legal Services

Balancing the Scales of Justice

NATIONAL EARNED INCOME TAX CREDIT AWARENESS DAY

January 2019

What is the Earned Income Credit (EITC)?

The EITC, is a tax credit that reduces the amount of tax you owe and may give you a refund. This credit is for people who have earned income from working for someone or is self-employed.

Why EITC is Important ?

The EITC is one of the Largest Antipoverty Programs. The EITC and the child tax credit (CTC), reduces poverty for working families. These credits lifted an estimated 9.4 million people out of poverty, of which more than half were children.

Basic EITC Eligibility Requirements

All Workers Claiming the EITC Must:

- Have a valid Social Security number,
- Have earned income,
- Meet the adjustable gross income limits
- Not file Form 2555 or Form 2555-EZ (related to Foreign Earned Income)
- Meet the investment income limitation,
- Filing status CANNOT BE "Married filing Separate,"
- Not be the qualifying child of another person,
- Generally, be a U.S. citizen or resident alien for the entire year.

To claim the EITC with a qualifying child, the child must meet the relationship, age, residency and joint return requirements. For more information about this requirements please visit the IRS website at

<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit>

The IRS estimates that four out of five eligible taxpayers receive their EITC.

Nationwide during 2018, 25 million eligible workers and families received about \$63 billion in EITC. The average amount of EITC received nationwide was about \$2,488.

Income and family size determine the amount of the EITC a taxpayer can receive.

The income amounts and the amount of EITC are adjusted for inflation every year.

SC Legal Services Low Income Taxpayer Clinic can assist you if you have a federal tax problem with the IRS. Our services are free for qualifying applicants.

To apply for our services, please call 1-888-346-5592. You can also apply for assistance online at www.sclegal.org