

How is the Credit Paid?

If you owe a tax, the amount you owe will be reduced by the amount of the credit. You may receive the balance as your refund. If you do not owe income tax, you may get a refund.

The credit has no effect on certain welfare benefits. It also will not be used to decide whether you qualify for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing, or most Ohio Works First (OWF) payments.

If you didn't ask for the Earned Income Tax Credit in previous years and think you qualified for it, you can file a tax return for up to the past three years, if you qualify.

What if the IRS Denied Your Claim?

If your claim for the Earned Income Tax Credit has been denied by the Internal Revenue Service, you may challenge the denial. Call one of Legal Aid's offices to find out if we can help you.

You also may be able to take a child credit (called the Child Tax Credit) if your child was under 17 at the end of 2008 and is a U.S. citizen or resident alien.

How can You Increase Your Take-Home Pay now?

You can increase your take-home pay by getting the **Advance Earned Income Tax Credit** if you expect your 2009 income to be less than \$35,464 (\$38,584 if married filing jointly) with at least one qualifying child.

Instead of getting all of your credit for this year next year, you can get up to \$1,750 this year—a little in each paycheck. You will get the rest as a refund next year. File a W-5 form with your employer to get the advance credit.

Need help filing your return? Do not fall for "rapid refund" offers from commercial tax preparers. You do not need to pay interest and fees to get your own tax refund.

For locations of free tax preparation sites, phone First Call for Help at 211 or at 216-436-2000 or call 1-800-829-1040. If you are 60 or older, call 1-888-227-7669.

REMEMBER:

This information cannot take the place of advice from a lawyer. Each case is different and needs individual legal advice. You should contact a lawyer if you need representation on a tax matter or if you have questions.

If you have a communications limitation, contact us through the Ohio Relay Service. Interpretation services are available so that anyone can communicate with us in his or her dominant and/or preferable language.

If you are a low-income person and have legal problems, call your county's Legal Aid Office or visit us at www.lasclev.org.



The
Legal Aid Society
of Cleveland
Since 1905

*This brochure was prepared by
Legal Aid which serves low-income
residents of five counties.*

Cuyahoga County & Administrative Offices

1223 West Sixth Street
Cleveland, OH 44113
Phone: 216.687.1900
Toll-Free: 888.817.3777
Fax: 216.687.0779

Ashtabula County

121 East Walnut Street
Jefferson, OH 44047
Phone: 440.576.8120
Toll-Free: 866.873.9665
Fax: 440.576.3021

Lake & Geauga Counties

8 North State Street, Suite 300
Painesville, OH 44077
Phone: 440.951.7240
Toll-Free: 888.808.2800
Fax: 440.352.0015

Lorain County

538 West Broad Street, Suite 300
Elyria, OH 44035
Phone: 440.323.8240
Toll-Free: 800.444.7348
Fax: 440.323.8526

www.lasclev.org



The IRS may Owe You Money Through the Earned Income Tax Credit



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01/09

What is the Earned Income Tax Credit?

The Earned Income Tax Credit is a special credit for some working people. It can mean a tax refund to you or a reduction in the income tax that you pay.

How do You get the Credit?

You have to file a federal income tax return even if you owe no tax or you had no tax withheld from your paychecks.

If you have no dependent children, you can claim the credit on a Form 1040, 1040A or 1040EZ. If you do have a dependent child, you need to file a Schedule EIC with a 1040 or 1040A.

How Much is the Credit?

The credit could be worth as much as:

- \$4,824 if you have more than one qualifying child;
- \$2,917 if you have one qualifying child;
- \$438 if you have no qualifying child.

How do You Qualify for the Credit?

To qualify for the Earned Income Tax Credit:

- You must have earned income from a job or self-employment.
- Your investment income cannot be more than \$2,950.
- Your filing status cannot be "Married Filing Separately."
- You must include a Social Security number for anyone on your tax return.
- Your main home has to be in the U.S. for at least six months of the year.
- Neither you nor your spouse may be the qualifying child of another person.
- You must be authorized to work in the United States.
- You can qualify as a non-resident alien if:
 - (1) you are married to a U.S. citizen or resident alien **AND**
 - (2) you file a joint return.

What are the Income Limits for the 2008 Tax Year?

Your household's earned income and *adjusted* gross income must each be less than:

- \$38,646 (\$41,646 if married filing jointly) if you have more than one qualifying child;
- \$33,995 (\$36,995 if married filing jointly) if you have one qualifying child; or
- \$12,880 (\$15,880 if married filing jointly) if you have no qualifying child and you (or your spouse if filing jointly) are between 25 and under 65 years old on December 31, 2008.

Amounts change each year. The limits on earned income and investment income and the amounts of the credit are changed each year.

Who is a Qualifying child?

A "qualifying child" is

- a son, daughter, stepchild or eligible foster child or a descendent of any of them (such as your grandchild) who has lived *with you* in the U.S. for more than half the year,

OR

- a brother, sister, half brother or stepsister, stepbrother or stepsister or a descendent of any of them (such as your niece or nephew) who has lived *with you* in the U.S. for more than half the year.

A qualifying child must also be:

- under age 19 at the end of 2008;
- a full-time student under age 24 at the end of 2008; **OR**
- permanently and totally disabled at any time during 2008 regardless of age.