

More will be eligible for Earned Income Tax Credits in 2009 tax season

Written by Rosemary K. Heins, University of Minnesota Extension
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The upcoming tax filing season brings several tax credit changes due to the American Recovery and Reinvestment Act of 2009 (ARRA) that will increase tax refunds for many. A major change for low- to moderate-income families is the Earned Income Tax Credit (EITC). ARRA legislation increased eligibility for those with three or more eligible children in the household.

So what does this mean? Here are the 2009 earning levels for EITC:

- \$35,463 if you have one child in your home
- \$40,295 if you have two children in your home
- \$43,279 if you have three or more children in your home
- If you don't have children, made less than \$13,440, and were between the ages of 25 and 64 years during 2009, you may be eligible, too.

Add \$5,000 to the figures if you are married and filing jointly.

Remember, getting refunds through EITC normally has no effect on a person's or family's ability to get food or cash assistance, Social Security, Medical Assistance or subsidized housing programs. These tax credits are available to eligible workers even if they didn't have enough job income to be required to file tax forms. In other words, if you're eligible and don't owe any income tax, you may still get money back, but you must file federal tax forms to get the money. In addition, you qualify for the Minnesota Working Family Credit by filing a Minnesota income tax form.

There are other ARRA tax credits that will help families in the coming tax season. For more information visit the Internal Revenue Service website at www.irs.gov .

If you need help with the tax paperwork, contact VITA, which stands for Volunteer Income Tax Assistance. This free tax help will be available at sites all over Minnesota but sites generally don't open until the end of January or early February. This is because employers have until January 31 to issue W-2 forms.

There is also free electronic filing software online from the IRS website at www.irs.gov and the Minnesota Department of Revenue website at www.taxes.state.mn.us/

It's important to have all needed documentation together prior to filing income tax forms. Information on free tax filing programs in Minnesota is available through United Way First Call for Help at 211 or (800) 543-7709.