



SOME SOUTH CAROLINA RESIDENTS COULD GET ADDITIONAL MONEY BACK ON THEIR INCOME TAX RETURN!

Take Advantage of One of the Government's Best Kept Secrets!

The **Earned Income Tax Credit (EITC)** is a federal credit for **any working individual or family whose annual 2011 income was just under \$49,078**. Some workers will be eligible to receive as much as an additional **\$5,751 tax credit** on their federal income tax return (SC state tax does not apply).

Who Qualifies?



1. Those **single or married** (filing jointly), **with or without children**;
2. Employees of **small businesses**, **big businesses** or **self-employed** persons; and
3. Those who **don't earn enough** to file a tax return (although to receive the refund you must file).

Use this chart to determine if you are eligible (Note: Investment income must be less than \$3,150):

| | Income Limit: Earn Less Than | Number of Children in Household | Maximum Federal EITC Refund |
|-----------------------------|-------------------------------------|--|------------------------------------|
| Married Filing Jointly | \$49,078 | 3 or More | \$ 5,751 |
| Single or Head of Household | \$43,998 | 3 or More | \$ 5,751 |
| Married Filing Jointly | \$46,044 | 2 | \$5,112 |
| Single or Head of Household | \$40,964 | 2 | \$5,112 |
| Married Filing Jointly | \$41,132 | 1 | \$ 3,094 |
| Single or Head of Household | \$36,052 | 1 | \$ 3,094 |
| Married Filing Jointly | \$18,740 | None | \$ 464 |
| Single or Head of Household | \$13,660 | None | \$ 464 |

Free Tax Preparation

Did you know you can **file your federal and state taxes for free**? If you earn **less than \$60,000**, you can utilize free tax preparations sites through the IRS VITA (Volunteers In Tax Assistance) program. Most sites offer **electronic filing** for faster refunds. Call: **1-800-906-9887** or visit: **www.irs.gov** to find a tax prep site near you!

Other Tax Break Opportunities

Many workers also fail to take advantage of the **Child and Dependent Care Credit** and the **Child Tax Credit**. The Federal Child Tax Credit can be worth an **additional \$1,000 for each child under the age of 17**. More information can be found on the EITC Carolinas website:

www.eitc-carolinas.org

THE CHILD TAX CREDIT

\$1,000 per child Federal Tax Credit



What is the Child Tax Credit?

This credit can be taken **in addition to** the Child and Dependent Care Expense Tax Credit and the Earned Income Tax Credit. The **maximum credit** a taxpayer can receive on his federal return is **\$1,000 for each qualifying child** (SC provides **no State Child Tax Credit**).

The Child Tax Credit (CTC) provides a **\$1,000 Tax Credit** for each child who:

- Is your **son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, grandchild, niece, or nephew** (natural or adopted).
- **Is under age 17** as of 12/31/11.
- **Has lived in your household for at least half of 2011.**
- Is claimed as a **dependent on your tax return**.
- Did not provide **over half of his own support** during the year.
- **Is a US citizen, a US national, or a US resident alien.**



Federal Child Tax Credit Limitations

NOTE: The child tax credit may be reduced if:

- The amount of taxes owed is **less than \$1,000**;
- **OR**
- The taxpayers' adjusted gross income **exceeds the following amount based on their filing status:**

| | |
|-----------|--|
| \$110,000 | Married filing jointly |
| \$ 75,000 | Single, Head of Household, or Qualifying Widower |
| \$ 55,000 | Married filing separately |

How to Claim the Child Tax Credit

To **claim** the child tax credit, a taxpayer must file **Form 1040, Form 1040A or Form 1040NR**. This credit **cannot** be claimed on Form 1040EZ or form 1040NR-EZ. The name and social security number must be provided for each qualifying child.

For detailed information and **step-by-step application instructions**, visit this IRS website:

<http://www.irs.gov/publications/p972/ar02.html>

IRS Taxpayer Assistance:

1-800-829-1040
www.irs.gov

AARP Tax Preparation:

1-888-227-7669
www.aarp.org

You may be eligible for a Tax Credit
for
Child or Dependent Care Expenses



Have you paid for child or adult dependent care?

This tax credit is **available to individuals who have paid for child care services for dependents under age 13**, and/or for the care of a **spouse or a dependent of any age who is physically or mentally incapable of self-care.**

Qualifications



- **You** (and your spouse if you are married filing jointly) **must have earned income** (wages, salaries, tips, other taxable employee compensation or net earnings from self-employment).
- **Payments for care cannot be paid to: a spouse, a dependent, or those under 19 years of age.**
- Your **filing status may be:**
 - single
 - married filing jointly
 - head of household or
 - qualifying widow(er)

Federal Tax Credit
Up to **35%** of eligible expenses

South Carolina State Tax Credit
Up to **7%** of eligible expenses

Detailed information about the credit, including **specifics on qualifying dependents, care expenses and application instructions** can be found through the **IRS website:**

www.irs.gov/taxtopics/tc602.html



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www.irs.gov

AARP Tax Preparation:

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FREE FEDERAL AND STATE TAX PREPARATION



**DID YOU KNOW THERE IS
FREE TAX PREPARATION
AVAILABLE FOR SC HOUSEHOLDS
WITH ANNUAL EARNINGS OF
\$60,000
OR LESS?**



WHERE?

The Volunteer Income Tax Assistance Program (VITA) and the South Carolina Department of Revenue (SCDOR) offer **free tax preparation** to low/moderate-income filers. Free certified services are available at over 400 locations.

Preparation of both
Federal and State Tax Returns

Free

Taxes filed electronically allow for **direct deposit** into your checking account.

WHO?

Who is eligible?

- Household income less than **\$60,000***
- AND **not** filing any of the following:
 - Self-employment income
 - Rental income
 - Farming income
 - Adoption credits
 - Partnership income (K-1)
 - Military income**
 - Foreign income

* Income of \$60,000 whether filing a **joint** or **single** return.

** Military VITA is available; check with your local installation or call the VITA hotline.

HOW?

How to schedule an appointment:

Appointments are **required**; call to schedule.

To find the nearest free tax preparation location:

- Call **AARP: 888-227-9887**
www.aarp.org
- Call the **VITA Line** at **1-800-829-1040**
- **South Carolina Department of Revenue** provides tax service centers across the state; to find one near you: WWW.sctax.org

WHAT?

You'll need to bring with you:

- Proof of **Identification**
(driver's license or photo ID)
- **Social Security Cards** for you, your spouse and dependents (or individual **Tax ID** #s)
- **Birth dates** for each of the above
- **2010 Tax Return** (if available)
- **2011 W-2 forms** from all employers
- **Receipts** for medical expenses, taxes paid (personal, real property tax, sales tax on large ticket items), charitable contribution amounts, and mortgage interest paid if any
- All **1099** forms
- Total paid to **Daycare & Daycare** providers
EIN (Employee ID #), name & address
- **Blank check** for refund direct deposit