



## Valuable Employee Income Tax Information

In working with the **Earned Income Tax Credit of the Carolinas (EITC Carolinas)**, we have uncovered some information that may be helpful to many of your employees, information of which few are aware. We encourage you to **share this information with your employees** and for them to share it with others. Our staff has received the information provided by EITC Carolinas, and re-worked it into a format that is more easily understood by both employers and employees.

The attached document (provided in both English and Spanish) can be **e-mailed to employees**, printed for **posting in the Employee Break Room**, and could also be included with **employee pay stubs** or with the **W-2**. Some retailers may choose to also post it on their **Customer Bulletin Board** as other employers may not be aware of this employee opportunity.

Most of your employees and many of your customers may not be taking advantage of a great opportunity to **get extra money back from their taxes**. Many people **fail to file for the credit because they don't know it exists!**

The **Earned Income Tax Credit (EITC)** is a federal tax credit created to offset the payroll taxes paid by low- and moderate-income workers. Because it is a federal tax credit, it applies to **any employee in any state**.

### Who qualifies?

Whether married or a single parent, your employees may qualify for **up to \$5,657** on their income tax return.

The **tax credit is available to:**

- 1) **Single or married** employees; **with** or **without children**
- 2) Employees of **small businesses**, **big businesses** or **self-employed persons**
- 3) Employees whose incomes are **so small** they aren't required to file a tax return (**they must file to receive this refund**).

### How do your employees know if they qualify for the credit?

This chart indicates who is eligible. The **amount of the credit varies based on the employee's annual earnings**.

	<b>Income Limit: Earn Less Than</b>	<b>Number of Qualifying Children</b>	<b>Maximum EITC Credit</b>
Single or Head of Household	\$43,279	3 or More	\$ 5,657
Married Filing Jointly	\$48,279	3 or More	\$ 5,657
Single of Head of Household	\$40,295	2	\$5,028
Married Filing Jointly	\$45,295	2	\$5,028
Single or Head of Household	\$35,463	1	\$ 3,043
Married Filing Jointly	\$40,463	1	\$ 3,043
Single or Head of Household	\$13,440	None	\$ 457
Married Filing Jointly	\$18,440	None	\$ 457

## **More Detailed Information on this Tax Credit**

Information is available at the **EITC Carolinas website: <http://www.eitc-carolinas.org>**.

## **Other Tax Break Opportunities**

Remind employees that some may be eligible for the **Child and Dependent Care Credit** and/or the **Child Tax Credit**. The Child Tax Credit can be worth an additional **\$1,000** for **each child** under age **17**. More information on this opportunity can also be found on the EITC Carolinas website.

## **Free Tax Preparation**

Employees **can also receive free income tax preparation help**. Employees earning **less than \$50,000** can utilize preparation sites through the **IRS VITA (Volunteers In Tax Assistance)** program which helps people fill out their tax forms without charge. Most sites offer **electronic filing for faster refunds** and with **direct deposit** tax filers usually receive their **refunds** within **ten days**.

Employees can find a **free tax preparation site in their area** by calling the **Connectinc Helpline: 888-927-3230** or by visiting the **EITC Carolinas website** at **<http://www.eitc-carolinas.org>**, which provides a comprehensive list of free tax preparation sites in each of North Carolina's 100 counties.

AARP also provides several free tax preparation sites across our state. For information on locations and eligibility, **call: 888-227-7669** or visit their website at: **<http://www.aarp.org/money/taxaide>**.