



IR-2016-11: On the 10th Anniversary EITC Awareness Day: IRS Alerts Workers of Significant Tax Benefit

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WASHINGTON — The Internal Revenue Service joins partners across the country in promoting the Earned Income Tax Credit on EITC Awareness Day, Friday, January 29, 2016. This is the 10th anniversary of the EITC Awareness Day campaign, a nationwide effort to alert millions of low and moderate-income workers who may be missing out on this significant tax credit.

Millions of taxpayers who earned \$53,267 or less last year may qualify for EITC for the first time in 2016, making awareness critical. Local officials and community organizations nationwide are holding events on EITC Awareness Day highlighting this key benefit.

"One-third of the population eligible for EITC changes each year as their personal circumstances change," said IRS Commissioner John Koskinen. "We want workers who may qualify for EITC for the first time to have all the information they need to get the EITC and get it right. This is an important credit for hard-working Americans, and one of the government's best tools to fight poverty."

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Last year, more than 27.5 million eligible workers and families received almost \$66.7 billion in EITC; with an average EITC amount of more than \$2,400.

IRS.gov is a valuable first stop to help taxpayers get it right this filing season, from information on claiming the EITC, to learning about the Affordable Care Act (known as the health care law), to finding [free tax help](#) and preparation for qualified taxpayers. The IRS encourages everyone to use the [EITC Assistant](#), an interactive tool on [IRS.gov/eitc](#), to find out if they are eligible for the credit. The IRS website also provides helpful information on the health care law and how it may affect tax returns at [IRS.gov/aca](#).

Workers, self-employed people and farmers who earned \$53,267 or less last year could receive larger refunds if they qualify for the EITC. Eligible families with three or more qualifying children could get a maximum credit of up to \$6,242. EITC for people without children could mean up to \$503 added to their tax refund. Unlike most deductions and credits, the EITC is refundable. In other words, those eligible may get a refund from the IRS even if they owe no tax.

The IRS reminds taxpayers to be sure they have valid Social Security numbers in hand for themselves, as well as each qualifying child, before they file their return. Moreover, to get the EITC on a 2015 return, they must get these SSNs before the tax-filing deadline (April 18, 2016 for most people or Oct. 17, 2016 for those who get extensions).

Workers potentially eligible to claim the credit should visit [IRS.gov/eitc](#) to learn if they qualify and how to claim the credit. The IRS recommends that all workers who earned around \$54,000 or less use the EITC Assistant to determine their filing status, if they have a qualifying child or children, if they qualify to receive the EITC and estimate the amount of the EITC they could get. If an individual doesn't qualify for EITC, the Assistant explains why. A summary of the results can be printed and kept with the worker's tax papers.

The IRS also reminds taxpayers about the availability of [myRA](#), a new, free, retirement savings account from the Treasury Department. Taxpayers who have a myRA account may use Free File to deposit their tax refund or a portion of their refund into their myRA account. They just need to use [Form 8888](#) or follow their software product's instructions.

Get the Credit: How to Claim the EITC

To get the EITC, workers must file a tax return, even if they are not required to file, and specifically claim the credit. [Free tax help](#) is available. Those eligible for the EITC have these options:

- [Free File on IRS.gov](#) Free brand-name tax software walks people through a question and answer format to help them prepare their returns and claim every credit and deduction for which they are eligible. Free File also provides online versions of IRS paper forms, an option called [Free File Fillable Forms](#) which is best suited for taxpayers comfortable preparing their own returns.
- [Free tax preparation sites](#) EITC-eligible workers can seek [free tax preparation](#) at thousands of Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites. Taxpayers can locate the nearest site using a [search tool](#) on IRS.gov or through the [IRS2go smartphone application](#).

It is important for taxpayers to bring along all the required [documents and information](#) to make sure they get the EITC they deserve.

The IRS issues more than 9 out of 10 refunds in less than 21 days. However, it's possible a tax return may require additional review and take longer. Taxpayers can track the status of their refund with the "[Where's My Refund?](#)" tool available on IRS.gov or on IRS2go. This online tool has the most up to date information available about a refund.

Get It Right: Avoid Errors

Taxpayers are responsible for the accuracy of their tax return even if someone else prepares it for them. The rules for EITC are complicated. The IRS urges taxpayers to seek help if they are not sure they are eligible either from a [paid tax professional](#) or at a free tax return preparation site. Deliberate [errors](#) can have lasting impact on future eligibility to claim EITC and leave taxpayers with a penalty.

Taxpayers should reply promptly to any letter from the IRS requesting additional information about EITC. If taxpayers need assistance or have questions, they should call the number on the IRS letter.

Beware of Scams

EITC provides a financial boost for millions of hard-working Americans. However, a deliberate error can have lasting impact on future eligibility to claim EITC. Beware of scams that claim to increase the EITC refund. Scams that create fictitious qualifying children or inflate income levels to get the maximum EITC could leave taxpayers with a penalty.

If an EITC claim was reduced or denied after tax year 1996 for any reason other than a mathematical or clerical error, taxpayers must file [Form 8862](#), Information to Claim Earned Income Credit after Disallowance, with their next return to claim the credit.

Qualify for EITC? See what [other tax credits](#) are available.

Related items:

- [IRS.gov/eitc](#) – Detailed EITC eligibility rules
- EITC Central at [www.eitc.irs.gov](#) – Helpful resources for IRS partners and anyone interested in spreading the word about this benefit.
- [Pub. 596](#) – Earned Income Credit (EIC)
- [Tax Professionals](#) – Another place for valuable EITC resources and assistance.

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