

More Money For You: 2007 Earned Income Credit (EIC)

Earned Income Credit means extra cash for working families! You may qualify for credits from the U.S. Government and the State of Wisconsin that could bring you more than \$6000!

Who qualifies?	Working persons with at least one child living at home can get the credit. Very low income persons at least 25 years of age and under 65 without children can also get a federal credit.
How do you qualify?	In 2007, you must have income below \$33,241 with one child living at home for more than half the year (\$35,241 if married); \$37,783 with 2 or more children (\$39,783 if married); or \$12,590 for childless workers (\$14,590 if married) for the federal credit. Wisconsin residents with children who receive the federal EIC may also receive a state credit. They must live in Wisconsin all of 2007.
How does it work?	The EIC is a "refundable" credit. This means that eligible working persons can benefit from the credit <i>even if they owe no income tax</i> . Eligible persons file tax returns and part of the credit pays any taxes owed. The rest of the credit is sent in refund checks from the Internal Revenue Service and State of Wisconsin.
What do I have to do?	You can obtain these Earned Income Credit benefits only by filing both Federal and Wisconsin Income tax returns. For Federal: Schedule EIC and Form 1040 or 1040A - not 1040EZ (Childless workers may file any tax form.) For State: Wisconsin tax form 1A or 1, which includes a claim for EIC based on the federal earned income credit.
What else should I know?	Qualifying persons with children can receive part of the basic <u>federal</u> EIC throughout the year in each paycheck, rather than one large check at year end. You can arrange with your employer for this ADVANCE option by completing a W-5 Form. A family's EIC payments <i>do not count</i> as income in determining eligibility or benefit levels for W-2, Medicaid, Food Stamps, SSI, or public or subsidized housing.
Where can I get HELP?	*IRS: 1-800-TAX-1040 (during weekday business hours and often busy) *Ask about free tax help (VITA) at your local library or Extension office. *Wisconsin Department of Revenue: 608-266-2772/266-2486. *Your county UW-Extension Family Living Agent or other staff can help set up a plan to make wise use of the EIC money. *More information about EIC and other tax credits: http://www.uwex.edu/ces/econ