



SOME NORTH 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 taxes and an additional \$288 on their NC state income tax filing.

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 be required 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 <u>Less</u> Than	Number of Children in Household	Maximum EITC Credit	Maximum <u>NC</u> EITC Credit
Married Filing Jointly	\$49,078	3 or More	\$ 5,751	\$ 288
Single or Head of Household	\$43,998	3 or More	\$ 5,751	\$ 288
Married Filing Jointly	\$46,044	2	\$5,112	\$ 256
Single or Head of Household	\$40,964	2	\$5,112	\$ 256
Married Filing Jointly	\$41,132	1	\$ 3,094	\$ 155
Single or Head of Household	\$36,052	1	\$ 3,094	\$ 155
Married Filing Jointly	\$18,740	None	\$ 464	\$ 23
Single or Head of Household	\$13,660	None	\$ 464	\$ 23

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 **800-906-9887** or visit **www.irs.gov** to find an IRS tax prep site near you.

Every county in North Carolina offers locations for free tax preparation. Find the site in your area by calling the Benefit Bank helpline at **1-855-MY-TBB-NC (1-855-698-2262)** or by visiting the EITC Carolinas website: **www.eitc-carolinas.org**.

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**

\$100 per child **North Carolina State Tax Credit**

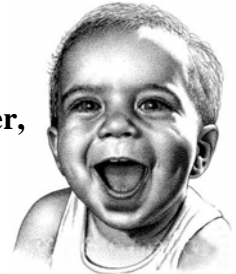


What is the Child Tax Credit?

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.**

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 tax year.
- **Is a US citizen, 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 amounts 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:

www.irs.gov/publications/p972/ar02.html

IRS Taxpayer Assistance:

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

Benefit Bank Helpline:

1-855-698-2262
www.eitc-carolinas.org

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

North Carolina State Tax Credit

Up to **13%** 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



IRS Taxpayer Assistance:

1-800-829-1040

www.irs.gov

AARP Tax Preparation:

1-888-227-7669

www.aarp.org

FREE FEDERAL AND STATE TAX PREPARATION



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



WHERE?

The Volunteer Income Tax Assistance Program (VITA) offers **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 of **\$60,000*** or less
- 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.

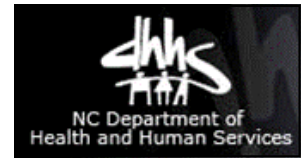
To find the nearest free tax preparation location:

- Call the **VITA Line** at **1-800-906-9887**
- Call **AARP: 888-227-7669**
website: www.aarp.org
- Visit **www.eitc-carolinas.org** and enter the name of your **county** on the home page or call The North Carolina Benefit Bank helpline at 855-698-2262
- **Call NC Department of Revenue**
877-252-3052 or visit: **www.dornc.com** to access e-file services available at no cost to eligible taxpayers.
- Spanish: **Latino Community Credit Union**
919-688-9270

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 direct deposit refund



More North Carolina residents now Qualify for Food and Nutrition Services

*(Food and Nutrition Services is the new name for
North Carolina's food stamp program.)*

You too may now qualify!

North Carolina recently **revised the income levels for Food and Nutrition Services program eligibility.**
North Carolina no longer uses a resource limit test for most households—contact a caseworker to see which resource or income limits apply.

Monthly Income <u>and</u> Food and Nutrition Services Benefits				
Note: A caseworker will tell you which income limit applies to you.				
Number in Household	Monthly 130% Gross Income Limit	Monthly 130% Net Income Limit	Monthly 200% Gross Income Limit	Maximum Monthly Paid Benefit
1	\$1180	\$908	\$1,815	\$200
2	\$1594	\$1226	\$2,452	\$367
3	\$2008	\$1545	\$3,089	\$526
4	\$2422	\$1863	\$3,725	\$668
5	\$2836	\$2181	\$4,362	\$793
6	\$3249	\$2500	\$4,999	\$952
7	\$3663	\$2818	\$5,635	\$1,052
8	\$4077	\$3136	\$6,272	\$1,202
Each Additional Household Member	(+414)	(+319)	(+637)	(+150)

To apply for Food and Nutrition Services benefits:

- Call or go to the local social service office for an application. They can mail it to you.
- Fill out the application. You only need to put your name, address and signature on the form.
- Return the application to the local office.
- Have an interview over the phone, in person or send someone you trust in your place.
- You may have to show documents such as pay stubs, rent/mortgage receipts, utility bills, child/elder care bills, or child support court orders.
- A caseworker will tell you what you need.

North Carolina residents can now use an **online pre-screening tool** called **ePASS**. Simply enter your income and other data to determine if you may be eligible.

<https://epass.nc.gov>

There is a Social Services office in each county; for a **Directory** of offices:

www.ncdhhs.gov/dss/local/docs/directory.pdf

OR

Call: (919) 334-1224

NOTE: Individuals **residing together**, but **purchasing and preparing** their meals separately, **may** qualify as separate households; talk with a case worker to determine the specific qualification guidelines.

