



February 4, 2010

The Earned Income Tax Credit Can Put Much Needed Money into the Pockets of Those Who Need it Most **17 Free Tax Assistance Sites Now Open in the K.C. Metro Area**

(Greater Kansas City)---For low and moderate-income families, the Earned Income Tax Credit, or EITC, can be like winning the lottery---without buying a ticket. All they have to do is meet federal income guidelines and claim the EITC credit when filing their tax returns. This year EITC can put up to \$5,657 into the pockets of a family with three or more children. That is money that would certainly come in handy, especially this year, when so many people are struggling to pay their bills.

The IRS estimates that up to one in four taxpayers who qualify this year could miss out on the valuable tax credit simply because they don't claim it. United Way and KC CASH Coalition are joining forces to see that as many people as possible who qualify for EITC, claim the tax credit they deserve. KC CASH has opened 17 free tax assistance sites where anyone making less than \$49,000 a year can get help preparing their 2009 state and federal income taxes without paying a fee. The tax assistance sites are staffed by IRS-certified tax preparation volunteers who will help low and moderate-income taxpayers electronically prepare and file their tax returns. The sites are scattered throughout the six-county metro area and are open at varying times and on different days of the week.

The easiest way to find a site near you, with hours that fit your schedule, is to pick up the phone and dial 2-1-1. United Way 2-1-1 call specialists are on duty 24 hours a day, seven days a week and have listings of site locations, along with their hours of operations. The call specialist will ask a few preliminary questions to determine a caller's eligibility for free tax help. If dialing 2-1-1 doesn't work for any reason, callers can also dial (816) 474-5112.

In addition, KC CASH and United Way will be coordinating about two dozen other temporary tax preparation sites throughout the community, where people will be given access to computers and tax preparation software so they can do their own taxes, with the help of a "tax coach." The roving sites are funded by a grant from Wal-Mart and will be reaching out to people with disabilities and people who find themselves in a position of filing their income taxes on their own for the first time in their life. People can also access the free tax software on their home computer by going to www.myfreetaxes.com/kc. The service is free for people with a household income of \$58,000 or less.

EITC is a tax credit created by Congress in 1975 to ease the burden of Social Security taxes on low-income working men and women, especially those with children. EITC is for people who work, but don't earn a lot of money. In general, the lower a family's household income, the larger their tax credit and refund will be. The IRS has declared this week EITC Awareness Week.

Several changes have been made to EITC this year due to the economic downturn and passage of the American Recovery and Reinvestment Act. The changes mean taxpayers are now able to claim a *third* qualifying child and the ceiling is higher before the phase-out of credits begins for married couples filing joint returns, regardless of their number of children.

Mike Nield, president of KC CASH says, "Many people will qualify for EITC for the first time this year because their income declined, their marital status changed, or they added children to their families. It would be a shame for working people who are counting every dime to miss out on this tax credit that could put thousands of extra dollars in their pockets. They are entitled to the money and they deserve it."

It is definitely worth the time to see if you qualify for EITC. This year, a low-income family with three or more children can qualify for a tax credit of up to \$5,657; a family with two or more children could get a tax credit of up to \$5,028; a family with only one child could get up to a \$3,043 tax credit; and a low-income family with no children could get up to \$457 back.

In order to qualify for EITC, a taxpayer's income cannot exceed:

- \$43,279 (\$48,279 if married filing jointly) with three or more children
- \$40,295 (\$45,295 if married filing jointly) with two children
- \$35,463 (\$40,463 if married filing jointly) with one child
- \$13,440 (\$18,440 if married filing jointly) with no children

In order to qualify, a household cannot have more than \$3,100 in investment income.

Tax preparation volunteers at the KC CASH tax assistance sites will help people determine their eligibility for EITC while helping them prepare and file their taxes. Taxpayers should bring the following items with them:

- Photo identification
- Valid Social Security cards for the taxpayer, spouse and dependents
- Birth dates for primary, secondary and dependents claimed on the tax return
- Current year's tax package if received
- Wage and earnings statement(s) Form W-2, W-2G, 1099-R, from all employers
- A copy of last year's federal and state returns, if available
- Bank routing numbers and account numbers for direct deposit
- Other relevant information about income and expenses
- Total paid to day care provider and provider's identifying number

Last year, KC CASH volunteers helped 4,446 people prepare and file their taxes at a dozen taxpayer assistance sites in the metro area, resulting in \$1,770,722 claimed in EITC credits and more than \$5.2 million in federal tax refunds. This year, in recognition of the downturn in the economy and the increased number of families who qualify as low and moderate-income, KC CASH has increased the number of free tax assistance sites to 17, with a goal of helping more people claim the EITC tax credit and file their tax returns for free.

By law, low-income individuals and families with qualifying children can actually recover more than the amount they paid in taxes. Also, taxpayers who qualified for EITC in previous years, but never claimed the credit, can file amended tax returns going back three years.

Even those who only worked part of the year or worked part-time, who aren't required to file a tax return because they earned less than \$9,350 (\$18,700 if married filing a joint return), are encouraged to do so. It is the only way they can claim the EITC tax credit and receive a federal tax refund.

The KC CASH Coalition, a group made up of local businesses, educational institutions, government entities, financial institutions and nonprofit agencies, works to help families and individuals build their financial stability.

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