Claiming Earned Income Tax Credit

This playbook provides a step-by-step guide to determine eligibility and claim the Earned Income Tax Credit (EITC). The EITC is a benefit for working people with low to moderate income, designed to reduce the amount of tax owed and may result in a refund.

Step 1: **Verify Eligibility**

Confirm that you meet all the criteria for EITC eligibility, which typically include having earned income from working for someone or running a business, having a valid Social Security number, and meeting certain income limits.

Step 2: **Gather Documents**

Collect all necessary documentation, such as income statements (W-2, 1099), investment income statements, and records of expenses if you are self-employed.

Step 3: **Complete Form 1040**

Fill out a federal tax return using Form 1040. Ensure you answer all the questions related to the EITC, and follow the instructions carefully to claim the credit.

Step 4: **Calculate Credit**

Use the IRS EITC Assistant tool or worksheets in the Form 1040 instruction booklet to determine the exact amount of credit you

qualify for based on your income, filing status, and number of dependents.

Step 5: **Submit Tax Return**

File your tax return electronically or by mail before the deadline. If e-filing, use IRS-authorized e-file providers. If mailing, ensure it is postmarked by the due date.

Step 6: **Track Refund**

After filing, you can track the status of your refund using the 'Where's My Refund?' tool on the IRS website or the IRS2Go mobile app.

General Notes

EITC Income Limits

Check the latest EITC income limits which are updated annually, as they vary based on filing status and number of children.

Correct Filing

Incorrectly claiming the EITC can lead to delays in your refund, contribute to future IRS audits, and may result in penalties or disallowance of the EITC for subsequent years if the error is due to reckless or intentional disregard of the EITC rules.