

Please contact the Internal Revenue Service (IRS) or New York State Department of Taxation and Finance for more detailed information based on your specific situation or call 311 and ask for tax preparation assistance.

Tax Credits

Source: IRS and the New York State Department of Taxation and Finance

What are tax credits?

- Tax credits can reduce the amount of taxes you owe or you can get money back as a tax refund by claiming credits.
- Tax credits are usually based on income, number of children, age, and employment status.

What are some important tax credits for me?

The Earned Income Tax Credit (EITC) and the Child Care Tax Credits can provide significant benefits if you qualify.

What is the Earned Income Tax Credit (EITC)?

The EITC is a federal, state, and New York City tax credit for qualifying families, non-custodial parents, or singles who work full time or part time or are self-employed. For working families the credit could be worth up to \$7,764.

Basic requirements to qualify for EITC:

- Your income and marital and parental status fall within the criteria below.

Status	Income
Married	
...with qualifying children	Earning up to \$49,078
*...with no qualifying children	Earning up to \$18,740
Single	
...with qualifying children	Earning up to \$43,998
*...with no qualifying children	Earning up to \$13,660
**Non-custodial Parents (Married or Single)	Earning up to \$33,000

*You must be at least age 25 but under age 65.

**Parents not living with their children who are up-to-date on their child support payments

- You have a valid Social Security Number (SSN).
- You file a tax return.
- You have investment income less than \$3,150.

What is the Child Care Tax Credit?

- The Child Care Tax Credit is a federal, state, and New York City tax credit that assists families with the cost of child care.
- Federal and state tax credits require that the qualifying child(ren) are up to (but not including) age 13. **There are no income restrictions on the federal and state credits. However, the federal credit is non-refundable.**
- The New York City Child Care Tax Credit (CCTC) requires that the qualifying child(ren) are up to (but not including) age 4. **You must earn less than \$30,000 to claim the NYC CCTC, which is worth up to \$1,733 in 2011.**
- The child(ren) must have lived with you for more than 6 months.
- You can have either a SSN or Individual Taxpayer Identification Number (ITIN).
- You will need to verify child care by having your child care provider's Taxpayer Identification Number or SSN.

How do I get these credits?

- You must file your federal and New York State tax returns. See the **Tax Preparation** section on the back to learn if you're eligible for free or low-cost tax preparation.

More...

- You can claim these tax credits for up to three years in the past if you didn't claim them previously.
- In some cases, you don't have to owe income tax to get the credits.

How will these tax credits affect my other public benefits?

In most cases, claiming tax credits does not affect eligibility for benefits like the Food Stamp Program, Supplemental Security Income (SSI), Medicaid, Temporary Assistance for Needy Families (TANF), or public or subsidized housing. These credits are not considered income when determining eligibility for these programs, but they may be counted as a resource for some programs if the money is not spent within a certain time frame.

Tax Preparation

Here are some important tips to remember as you prepare for the tax season.

File your taxes for free or at very low cost.

The City is offering eligible New Yorkers more tax filing options than ever, including:

- FREE online tax preparation
- FREE tax preparation by a certified volunteer
(At participating sites, you may have the opportunity to open a SaveUSA account to earn an extra 50% in savings.)
- ONLY \$29 for commercial tax preparation

For more information about these options, **call 311** and ask for tax preparation assistance or visit **nyc.gov** and search "tax prep"

Remember: You can use a portion of your tax refund to purchase U.S. Savings Bonds. Visit **bondsmakeiteasy.org**

Bring all relevant documents when you file your taxes at participating sites.

- Proof of identity, such as a driver's license or other photo ID
- Social Security cards for yourself, your spouse, and your dependents and/or a Social Security Number (SSN) verification letter from the Social Security Administration OR Individual Taxpayer Identification Number (ITIN) letter for all names on the return (original or copies)
- Wage and earning statement from your employer(s): Form W-2, W-2G, 1099-R
- Interest and dividend statements from banks (Forms 1098 and 1099)
- Proof of any other income, e.g., lottery winnings
- Total paid for child care provider and the provider's Taxpayer Identification Number or SSN (if you are claiming the New York City Child Care Tax Credit)
- Bank account and routing numbers (if you are directly depositing your refund). You can find these numbers at the bottom of checks.

Know your rights.

As a tax filer, you have important rights in New York City, including:

- You must receive a copy of every tax return prepared for you signed by the tax preparer.
- You must receive an itemized receipt for each tax return, and the receipt must list the address and phone number where the tax preparer may be contacted during the year.
- The tax preparer must post a sign stating relevant qualifications, and maintain records proving the qualifications are real, including whether the preparer is an accountant or an attorney.

Beware of Refund Anticipation Loans (RALs).

A RAL is not a tax refund, but is in fact a high-interest loan against an anticipated tax refund. These loans often include high fees and high interest rates. **Important:** If you do not get the refund you anticipated, you will have to repay the loan.

Use direct deposit.

Be sure to use direct deposit so you can receive your federal tax refund in 8 to 14 business days. If you need a bank account, visit **nyc.gov/ofe** to find out how you can open an NYC SafeStart Account. The NYC SafeStart Account has no overdraft fees and no monthly fees if you maintain a minimum balance of \$25 or even less depending on the financial institution.



Michael R. Bloomberg
Mayor

Department of Consumer Affairs
Office of Financial Empowerment

Jonathan Mintz
Commissioner

Center for
Economic Opportunity

Veronica M. White
Executive Director

