

2009 Tax Season

Tax Credit Fast Facts

Please contact the Internal Revenue Service (IRS) or New York State Department of Taxation & Finance for more detailed information about eligibility based on your specific situation. Call 311 or visit nyc.gov/ofe to find free and low-cost tax preparation across New York City.

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

TAX CREDITS

What are tax credits?

- Tax credits can reduce the amount of taxes you owe **OR** give you a refund from the government.
- Eligibility for tax credits is usually based on income, number of dependents (including children), age, and employment status.

What are some important tax credits for which I might be eligible?

- The Earned Income Tax Credit (EITC), the Child Tax Credit, and tax credits for child and dependent care can all provide significant benefits to families and individuals who qualify.

What is the Earned Income Tax Credit (EITC)?

- The EITC is a federal, state, and New York City tax credit for qualifying families, noncustodial parents, or individuals who work full or part-time or are self-employed.
- Working families who earned less than \$42,000 last year may be eligible for up to \$6,500.
- Working individuals aged 25 through 64 who earned less than \$16,000 last year may be eligible for up to \$600.
- Eligible filers must have investment income less than \$2,950.
- Eligible filers must have a Social Security Number (SSN).

What is the Child Tax Credit?

- The Child Tax Credit is a federal tax credit worth up to \$1,000 for each qualifying dependent under age 17 claimed on the parent's or guardian's tax return.
- Eligible filers can have either a SSN or an Individual Taxpayer Identification Number (ITIN) to qualify.

What are tax credits for child and dependent care?

- The Federal Child and Dependent Care Credit, New York's Empire State Child Credit, and the New York City Child Care Tax Credit can assist families with lower incomes or who are underemployed with the cost of child care.
- The federal and state credits require that qualifying dependents are up to (but not including) age 13. There are no income restrictions.
- The New York City Child Care Tax Credit requires that qualifying dependents are up to (but not including) age 4. Eligible filers must earn less than \$30,000.
- The child or children must have lived with the tax filer for more than six (6) months.
- Eligible filers can have either a SSN or an ITIN to qualify.
- Eligible filers will need to verify the 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.
- You can file for these tax credits for up to three years back if you didn't claim them previously.
- In some cases, you don't have to owe income tax to get the credits.
- Call 311 or visit nyc.gov/ofe to find free and low-cost tax preparation throughout NYC!

How will these 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 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 after a certain time frame.

[More...](#)

CLAIMING THE CREDITS

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

1. You may qualify for free or low-cost tax preparation.

- Partners in the Mayor's NYC EITC Coalition run free Volunteer Income Tax Assistance (VITA) and low-cost Tax Prep Plus sites Citywide to help you claim the credits for which you qualify.
- **FREE** VITA sites will prepare tax returns for families (with dependents) earning less than \$45,000 or individuals earning less than \$20,000. Select VITA sites will offer SaveNYC Accounts to help filers use part of their refund to build savings. Visit nyc.gov/ofe for more information.
- Tax Prep Plus sites charge only **\$20** for a return prepared by a Tax One professional. Sites are hosted by community-based partners. Families (with dependents) earning less than \$55,000 and individuals earning less than \$30,000 qualify for Tax Prep Plus tax preparation.

2. As a tax filer, you have important rights in New York City.

- You can receive a copy of every tax return prepared for you.
- A notice of a tax preparer's qualifications must be posted in the office, and the preparer must maintain records showing his/her qualifications are real, including whether the preparer is an accountant or an attorney.
- You must be given a receipt that states any charges for preparing the return, and the receipt must list the address and phone number where the tax preparer can be contacted during the year.

3. If your taxes are filed electronically, you should receive a refund check from the IRS in 8 to 14 business days.

4. A Refund Anticipation Loan (RAL) is not a tax refund, but is actually a high-interest loan borrowed against your anticipated tax refund. You will pay interest, and could owe a lot if you do not qualify for the refund you expected!

5. You must bring some key documents with you when you go to file your taxes:

- Proof of identity (such as a driver's license or other photo ID)
- Social Security card or ITIN letter for all individuals listed on the return including dependents
- Copies of ALL W-2, 1098 and 1099 forms
- Amounts of any other income
- Child care provider's taxpayer identification number or SSN
- Amounts/dates of estimated or other tax payments made
- Bank documents showing routing and account numbers if requesting direct deposit into a checking or savings account

6. If you are thinking about spending part of your refund on a used car, furniture, or other items, visit nyc.gov/consumers for smart shopping tips.

7. Think about using part of your refund to pay down debt or build savings. Visit nyc.gov/ofe for a list of ideas to make the most of your tax refund, and to find free and low-cost financial education classes and counseling throughout NYC.



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