

# What to Know About the Earned Income Taxpayer Credit (EITC) for Tax Year 2020

## What is the EITC?

The Earned Income Tax Credit helps low- to moderate-income workers and families get a tax break. If you qualify, you can use the credit to reduce the taxes you owe—and maybe increase your refund. You must file a tax return to claim this credit.

### To qualify, you must...

- Show proof of earned income within limits for your filing status and number of children
- Have investment income below \$3,650
- Have a valid Social Security number
- Not file under Married Filing Separately
- Be a U.S. citizen or a resident alien all year

## Income Limits for 2020

<u>Single, Head of HH, or Qualifying Widower</u>	<u>Married Filing Jointly</u>
<i>0 Children* Claimed</i>	
\$15,820	\$21,710
<i>1 Child Claimed</i>	
\$41,756	\$47,646
<i>2 Children Claimed</i>	
\$47,440	\$53,330
<i>3 Children Claimed</i>	
\$50,594	\$56,844

\* Qualifying child must live with you for at least half the year. Temporary absences can still count as time living with you.

## Important Information for Claiming the EITC in Tax Year 2020

- For TY 2020, you may elect to base the EITC on your 2019 earned income if it is higher than your 2020 income. It is beneficial to do this if possible!
- This should apply even if you had NO earned income in 2020. (Stand by for final word on this.)
- Unemployment insurance (UI) benefits do NOT count as earned income to qualify for the EITC.
- However, UI is taxable and needs to be reported on your tax return.
  - Download Form 1099-G from your NY.gov account to report your UI income and withholding on your 2020 tax return.
  - The Dept. of Labor will only mail your Form 1099-G by request made to (888) 209-8124.
- You can use the IRS's online EITC Assistant tool to find out if you are eligible for the EITC. Visit [www.irs.gov](http://www.irs.gov), and use the "Search" function at the top right to locate the tool.
- You may also qualify for these useful tax credits:
  - Child Tax Credit (CTC) and Additional CTC
  - Credit for Other Dependents
  - Child and Dependent Care Credit
  - American Opportunity Tax Credit
  - Lifetime Learning Credit
- You can find more information about these credits online at [www.irs.gov](http://www.irs.gov).
- If using a preparer, be sure to ask them about these credits when filing your TY 2020 return.

If you have been audited for claiming the EITC in past years, or if you have another dispute with the IRS, Bronx Legal Services may be able to assist you! Please call Legal Services NYC to be scheduled for a free appointment with a legal advocate from our Bronx office.

**(917) 661-4500 | Monday-Friday, 10am to 4pm**

Bronx Legal Services does NOT prepare tax returns. CALL 311 for free tax preparation assistance near you.

