

EITC Earned Income Tax Credit



2021 FACTSHEET

The Earned Income Tax Credit (EITC) is a tax credit for working people who have low to moderate income.

The expansion of EITC **increases** the refundable Earned Income Tax Credit to **45%** for families and **100%** for individuals.

This enhances the Earned Income Tax Credit by an estimated **\$478 million** over the next three tax years.

This also **repeals** all state and local income taxes on unemployment benefits for tax years 2020 and 2021.

Basic Qualifying Rules

To qualify for the EITC, you must:

- Show proof of **earned income** (and fall below AGI thresholds)
- Have investment income below **\$3,650** in the tax year you claim the credit
- Have a valid **Social Security** number
- Claim a certain **filing status**
- Be a **U.S. citizen or a resident alien** all year
- Investment income limit: \$3,650 or less

EITC is for workers whose income does not exceed the following limits in 2020:

- **\$50,954** (\$56,844 married filing jointly) with **three** or more qualifying children
- **\$47,440** (\$53,330 married filing jointly) with **two** qualifying children
- **\$41,756** (\$47,646 married filing jointly) with **one** qualifying child
- **\$15,820** (\$21,710 married filing jointly) with **no** qualifying children

Maximum Credit Amounts

The maximum amount of credit you can claim

- No qualifying children: **\$538**
- 1 qualifying child: **\$3,584**
- 2 qualifying children: **\$5,920**
- 3 or more qualifying children: **\$6,660**

Economic impact payments are not subject to garnishment or certain liens or rights of setoff

You can determine your eligibility and file and claim your EITC for free

Use the online **EITC Assistant** at www.irs.gov to help you determine if you are eligible. The 2020 tax year versions in both English and Spanish will be available in January 2021.

EITC Central

Everything you need, all in one place for the earned income tax credit (EITC), child tax credit and more.

EITC Fast Facts

Helpful facts and information about EITC relief.

How to Claim the Earned Income Tax Credit

To claim the Earned Income Tax Credit (EITC), you must qualify, and file a federal tax return.

Maryland EIC Expansion & Child Tax Credit

This alert addresses changes brought by passage of Chapter 40 of the Acts of 2021 concerning Income Tax – Child Tax Credit and Expansion of the Earned Income Credit.

Qualified for EITC?

See if you also qualify for the [Child Tax Credit/Additional Child Tax Credit/Credit for Other Dependents](#) or if any other [tax credits](#) are available for you!