



# CHILD CARE NEWSLETTER SPRING 2017

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## California EITC is here! Claim Your 2016 State and Federal Credits



## IT'S YOUR MONEY

Get It!

### THE STATE AND FEDERAL EARNED INCOME TAX

**CREDITS (EITCs)** are special tax breaks for people who work full or part time. This means extra cash in your pocket. If you have work income, you can file your returns and claim your EITC refunds, even if you don't owe any income tax.



State EITC requires filing of your state tax return (form 540 2EZ or 540) and having earned income reported on a W-2 form (i.e. wages, salaries, and tips) subject to California withholding. Self-employment income cannot be used to qualify for state credit.

Number of Qualifying Children	State EITC Income Limits	State EITC Maximum Credits
None	\$6,717	\$217
1	\$10,087	\$1,452
2	\$14,161	\$2,406
3 or more	\$14,161	\$2,706

#### CLAIMING YOUR EITC IS EASY!

Just file your state and/or federal tax returns. Be sure to check both state (<http://caleitc4me.org>) and federal ([www.irs.gov/Credits-&-Deductions/Individuals/Earned-Income-Tax-Credit](http://www.irs.gov/Credits-&-Deductions/Individuals/Earned-Income-Tax-Credit)) eligibility requirements.

#### GET FREE TAX HELP

- CalFile for filing state taxes online at Franchise Tax Board: 1-800-852-5711 [www.ftb.ca.gov/online/calfile/](http://www.ftb.ca.gov/online/calfile/)
- EITC Assistant through the Internal Revenue Service: 1-800-829-1040 [www.irs.gov](http://www.irs.gov)
- Volunteer Income Tax Assistance (VITA) locations: 1-800-906-9887 [www.ftb.ca.gov/individuals/vita/](http://www.ftb.ca.gov/individuals/vita/)
- WeConnect: [www.calendow.org/weconnect/](http://www.calendow.org/weconnect/)
- California EITC for state and federal EITC calculator tool online: <http://caleitc4me.org/earn-it/>
- MyFreeTaxes allows filing of federal and state tax returns online: <http://MyFreeTaxes.org>

*The EITC refunds are not counted as income when your CalWORKs, CalFresh or Medi-Cal benefits are calculated.\**

\*Ask your eligibility worker for more details.



Federal EITC requires filing of your federal tax return (form 1040EZ, 1040 or 1040A) and as needed, Schedule Earned Income Credit). You can also file amended returns for three years back if you did not claim your EITC or CTC in prior years. There is no late filing penalty if you do not owe any tax in the prior year.

Number of Qualifying Children	Federal EITC Income Limits		
	Single, Head of Household or Widowed	Married Jointly Filing	Federal EITC Maximum Credits
None	\$14,880	\$20,430	\$506
1	\$39,296	\$44,846	\$3,373
2	\$44,648	\$50,198	\$5,572
3 or more	\$47,955	\$53,505	\$6,269

#### The Child Tax Credit (CTC)

is for families with earned income.

They may get up to \$1,000 for each qualifying child under age 17. See your tax instructions and get Form 1040 or 1040A and Schedule 8812.

#### IRS Update

Legalized same-sex couple marriages are recognized and will be treated as married for federal tax purposes (Revenue Ruling 2013-17). The ruling applies to all federal tax provisions where marriage is a factor including: filing status, claiming personal and dependency exemptions, taking the standard deduction, employee benefits, contributing to an IRA and claiming EITC or CTC.

See Publication 555 or visit IRS website for information.