



## Do You Qualify For The Earned Income Tax Credit?

(NAPSA)—It may be possible to receive a larger tax refund by claiming a federal tax credit called the Earned Income Tax Credit (EITC).

EITC is a refundable federal income tax credit that benefits low-income workers. Qualified taxpayers who claim the credit, in many cases, may receive all, or even more, of the taxes they had withheld throughout the tax year, resulting in a larger tax refund than possibly expected.

Understanding the qualifications and eligibility levels for EITC can be confusing, making it especially important to seek help if you are unsure about your qualification status and requirements. It's especially important to seek help if you are unsure about your status. Jackson Hewitt Tax Service offers this advice:

1. The amounts that can be earned and still allow a person/family to be eligible for the credit was recently increased. If your filing status is single, head of household or qualifying widow(er), your income must be less than \$11,490 with no qualifying children, \$30,338 with one qualifying child, and \$34,458 with two or more qualifying children. If your filing status is married filing jointly, your income must be less than \$12,490 with no qualifying children, \$31,338 with one qualifying child and \$35,458 with two or more qualifying children. If a taxpayer's investment income is over \$2,650, the taxpayer is ineligible for EITC.

2. The guidelines for determining whether you have a qualifying child fall into three categories: child (or a lineal descendant of the child), sibling (or a lineal descendant of the sibling) or qualifying



### **Federal tax credit could add more money to your tax refund.**

foster child. Jackson Hewitt tax professionals can help taxpayers determine qualification, which, for example, may include residency requirements and the rules if a child meets the qualifying rules for more than one person.

3. The maximum credits EITC filers can receive were recently increased to \$390 for no children, \$2,604 for one qualifying child and \$4,300 for two or more qualifying children.

4. With the Working Families Tax Relief Act of 2004, taxpayers can elect to include combat pay in earned income for purposes of calculating their EITC. Combat pay is otherwise excluded from gross income under Internal Revenue Code section 112. Calculate your return both ways (including and not including combat pay as earned income for EITC purposes) to determine which way gives you the more advantageous result.

To find out if you qualify for EITC or to get other tax advice, call Jackson Hewitt Tax Service at 1-800-234-1040 or visit [www.jacksonhewitt.com](http://www.jacksonhewitt.com).