

**IF YOU EARN LESS THAN \$38,348
THE IRS MAY OWE YOU MONEY!!**

The Earned Income Tax Credit (EITC) put roughly \$60 million—an average of almost \$1,500 per family—into the pockets of Alaska’s low-income working families and individuals last year. Unfortunately, each year many qualified people fail to apply for the EITC because they do not know about it, do not know they are eligible, or do not know how to apply. Last year in Alaska, as many as 10,000 individuals and families missed out on as much as \$15 million simply by not applying for the EITC.

The EITC is a refundable federal income tax credit for people who work but earn low wages. It reduces the amount of federal tax that is owed and can provide a cash refund to people whose incomes are so low they don’t owe any taxes. It is a work-support program, designed to encourage work by providing a financial incentive to work and by allowing low-income workers to keep more of the money they earn.

To qualify for the 2006 EITC, you must:

- Have earned income between \$1 and \$38,348 (income limit varies depending on marital status and number of children)
- Be at least 25 and not over 65, unless you are raising a child
- Not be “married filing separately”
- Not have more than \$2,800 in investment income
- Have a Social Security number that allows you to work

To apply for the EITC, you must file a federal income tax return, with the EITC Schedule attached, even if you don’t owe any taxes. Beginning February 1, local volunteers will provide free help filing for the EITC. For tax preparation locations, call **ALASKA 211** (1-800-478-2221). Or you can file for the EITC on your own or with help from your tax preparer.

If you have specific questions about qualifying for the Earned Income Tax Credit, call the national IRS hotline at 1-800-829-1040.