[NEWS AND EVENTS]

**The Earned Income Credit (EIC) and the Child Tax Credit (CTC) are federal tax benefits for low- and moderate-income workers.**

Did you know that many low-wage tax filers in 2012 may be eligible for an Earned Income Credit (EIC) worth up to $5,751?  Workers raising children who earned less than about $46,000 in 2011 may be eligible for the EIC. The extra benefits provided by the EIC and other valuable federal tax credits may help many working families pay their household bills and meet their children’s needs even through salary cutbacks or periods of unemployment.  The sad part is that many do not claim the credits they are eligible for.  In 2011, over 27 million eligible families and individuals claimed Earned Income Credits worth $59.7 billion!  Even if workers do not earn enough to owe income tax (although they pay federal excise payroll taxes, as well as state and local taxes), they can qualify for these tax credits, but may not realize it.  Workers not raising children who earned less than about $13,600 also can qualify.

**What is the Earned Income Credit (EIC)?**

The EIC is a tax benefit for working people who earn low or moderate incomes. It has several important purposes: to offset taxes, to supplement very low wages, and to provide a work incentive.

The EIC can offset some or all of the taxes workers must pay, such as payroll taxes, and can help cover any federal income tax workers may still owe at tax time. Besides offsetting taxes, workers earning low wages may also get cash back through the EIC refund. Workers who qualify for the EIC and claim it on their federal tax return can receive a refund check from the IRS even if their earnings were too small to owe income tax. In addition to the EIC, some families also can get the CTC, which can be worth up to $1,000 per child.

**What is the Child Tax Credit (CTC)?**

The Child Tax Credit is a federal tax credit worth up to $1,000 in 2011 for each qualifying child under age 17 claimed on the worker’s tax return. Since 2001, the CTC has been available to millions more low- and moderate-income working families and provided many families a larger CTC than they could have received in the past. This “Additional CTC” is refundable, meaning some families can get the credit even if they owe no income tax. Eligible families can receive the “Additional CTC,” or CTC refund, in a check from the IRS.

**To find out more information**, please go to the Center on Budget and Policy Priorities website at [www.eitcoutreach.org](http://www.eitcoutreach.org).