



TAX REFUNDS FOR PEOPLE WITH LOW INCOMES

Knowing your tax rights can mean money – sometimes a lot of money – to help your family. It is worth your time to check it out. **You may be able to get your taxes done for free.** To find help near you, call (651) 297-3724 or United Way at 211 statewide, (or (651) 291-0211 from a cell phone).

People who work and earn above certain amounts must file both state and federal income tax returns. Even if you earn below these amounts, you can file to get a refund. Tax forms should be filed by April 17th this year. You file this year using the income information from the past year. So, in 2012 you file a tax return for 2011. If you owe money, you have to pay penalties and interest on any amount not paid by April 17th.



FEDERAL CREDITS

▪ EARNED INCOME TAX CREDIT (EITC)

The EITC is a tax credit for people who work. The maximum credit is \$5,751. Single and married people can get it. You don't have to have children, but the credit is higher if you do. There are rules about which children you can claim. See below. *If you ignore the EITC rules, you may be denied the EITC for up to 10 years.*

You must have worked during 2011. You can't get EITC if you earned money outside the U.S. Your earnings and the "adjusted gross income" on your tax form must be less than:

- \$43,998 if you have 3 or more qualifying children
(or \$49,078 if married and filing a joint return)
- \$40,964 if you have 2 or more qualifying children
(or \$46,044 if married and filing a joint return)
- \$36,052 if you have one qualifying child
(or \$41,132 if married and filing a joint return)
- \$13,660 if you have no qualifying children
(or \$18,740 if married and filing a joint return)

Do I Meet the EITC Rules?

- You must be a U.S. citizen or resident alien for all of 2011.
- You need a valid social security number for you, your spouse, and children you claim.
- Your filing status can't be "married filing separate."
- Your investment income must be less than \$3,100.
- You can't claim the EITC if someone else claims you as a "qualifying child."

Can I Claim a Child for EITC?

You can claim a child for EITC if:

- S/he is your child by birth or adoption, your grandchild, stepchild, brother, sister, stepbrother or stepsister. You can also claim the child of any of these relatives. You must have cared for the child as your own. You can claim an eligible foster child.
- The child must have lived with you in the U.S. for more than half of 2011.
- The child must be younger than you and:
 - under age 19 on December 31, 2011;
 - a full-time student under age 24 on December 31, 2011; or
 - permanently and totally disabled at any time during 2011, age doesn't matter.
- If the child can be claimed by a parent as a qualifying child, but neither parent claims the child NO ONE ELSE can claim the child unless their Adjusted Gross Income is higher than the AGI of either parent. This situation can happen when extended family lives together.

If a child is a qualifying child for more than one taxpayer and they both claim the child, the parent who lived with the child longest that year will be given the credit. If the child lived with both parents for the same length of time, the parent with the higher income gets to claim the credit.



If the child:

- did not live with a parent,
- is a qualifying child of more than one taxpayer, and
- they can't agree who should claim the child,

then the taxpayer with the highest income gets to claim the credit.

Who Is an Eligible Foster Child?

An eligible foster child is a child placed with you by an authorized placement agency, and who lived with you at least 6 months during the year. S/he must meet the age rules above.

Can I Claim the EITC If I Don't Have a Child?

Yes, if you:

- are between 25 and 64 years old;
- aren't the dependent of another;
- aren't the qualifying child of another; and
- lived in the United States for more than half of 2010

How Do I Get the EITC?

- File a federal tax return (1040EZ, 1040, 1040A).
- If you have a qualifying child, file 1040 or 1040A **AND** Schedule EIC.

The IRS Will Figure The EITC For You. If you qualify for the EITC, you can ask the IRS to figure the amount for you. If you have a qualifying child, you must still fill out the first half of Schedule EIC.

Will the EITC Affect my MFIP, SSI, Food Stamps or Other Benefits?

Generally, EITC payments don't count as income during the month you get the check or the next month. After 2 months, any refund left may count toward your asset limit for figuring public assistance. If you are getting public assistance, talk to your case worker about the effect of the refund.

EITC Pre-Certification

If you have been denied the EITC in the past, you may have to fill out forms to show you are eligible for EITC now. If the IRS sends you a letter stating you must do this, contact Legal Aid.

▪ **FEDERAL CHILD TAX CREDIT**

You can get a tax credit up to \$1000 for each child under age 17 that you claim as a dependent. Fill out the Child Tax Credit worksheet in the instruction booklet and Form 8812. You can use an ITIN instead of a Social Security number for this credit. You can claim this credit **and** the EITC.

▪ **FEDERAL CHILD AND DEPENDENT CARE CREDIT**

If you have daycare costs for working or looking for work, you can get a tax credit. You can use costs you paid for a dependent child under age 13 or a disabled dependent of any age. To get this credit, you must have the taxpayer ID number of the person or program providing care. File Form 2441 or Schedule 2.

▪ **FEDERAL EDUCATION CREDITS**

If you paid tuition and fees at a university or college for yourself, your spouse, or a dependent, you can get up to \$2,500 in education credits. File Form 8863.



MINNESOTA CREDITS AND REFUNDS

▪ **MINNESOTA WORKING FAMILY CREDIT**

If you meet the EITC rules and your income was earned in Minnesota, you can get the Minnesota Working Family Credit. To claim this credit, fill out your federal tax forms and Minnesota forms M-1 (the standard form) and Schedule M-1WFC.

▪ **MINNESOTA CHILD AND DEPENDENT CARE CREDIT**

You can get a state tax credit for the cost of care for a dependent while you worked or looked for work. The dependent can be a child under age 13 or a disabled dependent of any age. To get this credit, fill out Form M-1CD.

▪ **MINNESOTA EDUCATION CREDIT AND SUBTRACTION**

You can get a state tax credit or subtraction for costs for your children's schooling or related things. These cover children in kindergarten through high school. The maximum credit is up to \$1,000 per child. You can use costs like: tutors, academic books and materials, fees paid to others for transportation, music lessons, after school programs, and academic summer camps. You can also use costs for computer hardware or educational software (\$200 limit). Private school tuition is a subtraction only. To get the credit, fill out Form M-1ED. To use the subtraction, do the worksheet on the back of Form M-1.

▪ **MINNESOTA PROPERTY TAX OR RENTER’S REFUND**

This refund is based on your income and the amount of property taxes you pay as a homeowner or renter. Renters get a Certificate of Rent Paid (CRP) from their landlord. If your landlord won’t give you one, see our fact sheet [H-21 Renter’s Refund](#). Homeowner refunds are based on the next year’s statement of property taxes. The house or apartment must be your main place of residence or homestead. To claim this refund, fill out form M-1PR. This form should be filed by August 15. You can claim this refund up to one year late.

IF YOU HAVE NOT FILED, FILE NOW!

The EITC and other income tax credits can be claimed up to 3 years late. If you did not file a tax return for some or all of the last 3 years, you can file now and claim the EITC and other credits. The forms and credit amounts change each year. Be sure to use the form for the year that you are filing for! For forms call the IRS at the number below or get them off their website, www.irs.gov. If you did file your return, but did not claim credits you now think you could have used, you can file an amended Form 1040X (federal) or M-1X (Minnesota) for any of the past 3 years.

If you met all the rules for getting the EITC in the years before now, except that you did not have a social security number, but now you do, you can use your new social security number to file your tax returns and claim the EITC for the past 3 years.

For federal tax questions, call 1-(800) TAX-1040.
For Minnesota tax questions, call (651) 296-3781.

Low income and disabled persons, and senior citizens can get their tax forms done for **Free**. To find help near you, call (651) 297-3724 or United Way statewide at 211, (or (651) 291-0211 from a cell phone).



***This fact sheet applies only to tax year 2011.
Income tax returns must be filed by April 17th, 2012.***

To find other Legal Aid Society materials, including any fact sheets mentioned in this document, go to www.lawhelpmn.org/LASMfactsheets.

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