



News Release

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Working Poor Eligible for Tax Credit

February 25, 2013 JEFFERSON CITY, MO – Despite working hard and trying their best, there are many people who simply cannot make ends meet. Many also have children, making it harder for them to stretch the dollars they do get. However, the Earned Income Tax Credit (EITC) is a powerful benefit for those who work. The credit simply puts money back into the pockets of those who need it the most.

The EITC has been successful at encouraging people, particularly single mothers, to take jobs.

By claiming the credit nearly 27 million low-income individuals received about \$59.5 billion in 2011, with refunds averaging \$2,240, according to the Internal Revenue Service (IRS).

Lou DeFeo, volunteer coordinator for the Samaritan Center's legal program in Jefferson City, said about 100 clients in 2011 were eligible for EITC and, in total, they received \$105,265 in EITC credits.

The Samaritan Center is a non-denominational, faith-based agency that helps meet the needs of some of the poorest in the Central Missouri area. The center is the home of the fourth largest food pantry in the state, and offers medical and dental along with legal and tax services and more.

Nationally, the EITC has helped an estimated 6.3 million people escape poverty in 2010, according to the Center on Budget and Policy Priorities. The purpose of the credit is to offset taxes, supplement low wages and serve as an incentive to work. Eligible workers can pay fewer taxes, and some may even get a check from the IRS.

Families with three or more children may receive a credit of up to \$5,891 for their 2012 taxes. The maximum credit is \$5,236 for families with two children, \$3,169 for families with one child and just \$475 for those without children.

DeFeo said the EITC has become more widely publicized over the years, though some still do not know about it. He said most of the clients he helps are entitled to credits like the EITC or personal property tax credit and simply do not know it. "It is theirs. They are entitled to it," he said. "Many just do not know and therefore do not apply for it. It is one of the ways those with low income can help themselves."

Many of the Samaritan Center's tax volunteers are not tax experts themselves, DeFeo said, but simply have a good working knowledge of tax preparation.

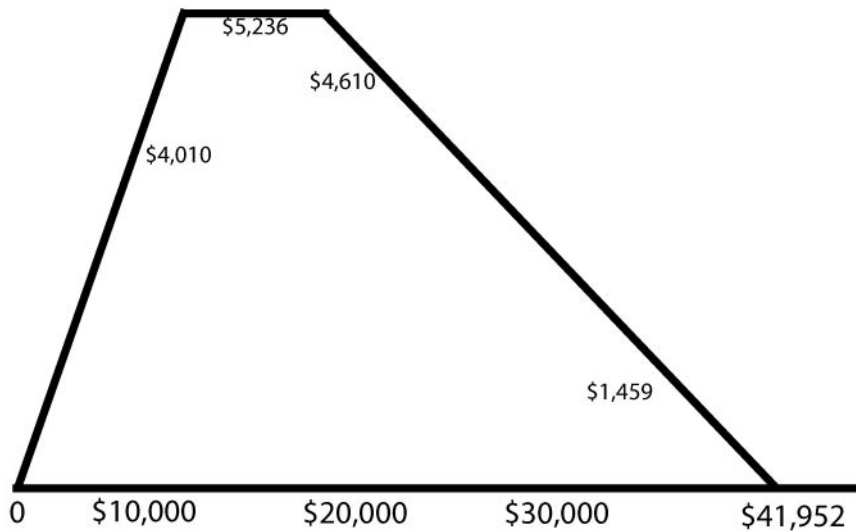
DeFeo said many of the free online tax preparation tools are easy and conversational in tone. “They ask you questions, one at a time, and all you have to do is answer truthfully,” he said.

Other sites like the IRS will allow you to fill out the forms online, however, it is just the form and no support is offered.

“These forms do not make the filing decisions for you, the programs do,” DeFeo noted.

For more information about EITC or other tax credits, visit www.irs.gov.

EITC for a Single Mother with Two Children



The EITC is designed to reward work and assist families to move out of poverty. The credit increases to a cap level and then begins to phase out as a family develops a better income.