

PRESS RELEASE

Mayor's Office • 100 East Michigan Blvd. • Michigan City, IN 46360 • (219)873-1400 • Fax: (219)873-1515

www.emichigancity.com

For Immediate Release

Date: December 26, 2006

Mayor Reminds Families About Earned Income Tax Credit

Michigan City, IN (December 26, 2006) – Mayor Chuck Oberlie encourages eligible working families to take advantage of the benefits due to them through the Earned Income Tax Credit (EITC).

“The EITC is a benefit provided by the federal government to help families lift themselves out of poverty,” said Mayor Oberlie. “However, it remains one of the most underutilized programs out there. The EITC is a refundable tax credit available to working families and individuals earning low and moderate incomes. This year eligible working families who file for EITC will receive an average of \$1,900 and as much as \$4,140.”

The Earned Income Tax Credit (EITC) is a federal income tax credit for low-income workers who are eligible for and claim the credit. The credit reduces the amount of tax an individual owes, and may be returned in the form of a refund.

According to the Internal Revenue Service's website (www.irs.gov), Congress originally approved the tax credit legislation in 1975 in part to offset the burden of social security taxes and to provide an incentive to work.

Income and family size determine the amount of the EITC. To qualify for the credit, both the earned income and the adjusted gross income for 2006 must be:

- less than \$29,201 for a taxpayer with one qualifying child (\$30,201 for married filing jointly),

- \$33,178 for a taxpayer with more than one qualifying child (\$34,178 for married filing jointly),
- \$11,060 for a taxpayer with no qualifying children (\$12,060 for married filing jointly).

The EITC Eligibility Checklist on the last page of IRS' [Publication 596](#) , Earned Income Credit, may be used to quickly determine eligibility for the credit.

The taxpayer may figure the credit by using a special worksheet included as part of the EITC instructions in the 1040, 1040A, and 1040EZ tax packages. Instructions in these packages require some taxpayers to use a worksheet in Publication 596 instead of the worksheet in the tax package.

The EITC does not generally affect eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, or low-income housing.

Mayor Oberlie said, “I encourage families to check their eligibility for the Earned Income Tax Credit. If you need help to determine if you qualify, contact the person or company who prepares your income tax forms. The free Tax Assistance program for simple forms will be available again at the Michigan City Public Library. This service is by appointment only, and the Library will announce the dates after the first of the year. Purdue North Central University also offers free tax help.”

“This program helps lower-income families move from poverty to economic success. Utilizing the Earned Income Tax Credit program will return much-needed funds to many families in our community,” concluded Mayor Oberlie, “and to the economy of Michigan City.”

A free copy of IRS forms and/or publications is available for download at www.irs.gov or by calling the Internal Revenue Service at 1-800-829-3676.

To make an appointment with VITA at the Michigan City Public Library, call 873-3046. Call 872-0527 extension 5263 to make an appointment for free tax help at Purdue University North Central.

Contact: Cindi Walus **Phone:** 219/873-1400
E-mail: cindigw@emichigancity.com