



# Federal Earned Income Tax Credit

(Tax Year 2016)

## WHAT IS IT?

The federal Earned Income Tax Credit (EITC) is designed to supplement wages and reduce the tax burden on low- and moderate-income workers. During 2016, approximately 788,000 working families in Michigan claimed a total of more than \$2 billion for tax year 2015 and prior years, for an average credit of \$2,488.

## WHO QUALIFIES?

The federal EITC is available to low- and moderate-income married or single workers (with or without children) who meet the income requirements. Workers may qualify if they worked full or part time in 2016. **A qualifying child is a child who was under age 19 at the end of 2016, or under age 24 if a full-time student, or any age if totally and permanently disabled.** (This is different from the qualifying rules of the federal Child Tax Credit.)

## HOW DOES IT WORK?

Depending on eligibility and income level, workers eligible for the federal EITC either get money back or pay less in taxes:

- Eligible workers raising one qualifying child in the home with adjusted gross income of less than \$39,296 (single) or \$44,846 (married) in 2016 can get an EITC of up to \$3,373.
- Eligible workers raising two qualifying children in the home with adjusted gross income of less than \$44,648 (single) or \$50,198 (married) in 2016 can get an EITC of up to \$5,572.
- Eligible workers raising three or more qualifying children in the home with adjusted gross income of less than \$47,955 (single) or \$53,505 (married) in 2016 can get an EITC of up to \$6,269.

- Eligible workers who were not raising children in their home, but who were at least age 25 and under age 65 on December 31, 2016, and had an adjusted gross income of less than \$14,880 (single) or \$20,430 (married) can get an EITC of up to \$506.

## HOW DO FILERS CLAIM THE CREDIT?

- Workers who raised children in 2016 must file Form 1040 or 1040A (not Form 1040EZ) and must fill out and attach Schedule EIC. Married workers must file a joint return to get the EITC.
- A Social Security number must be provided for every person listed on the tax return and Schedule EIC.
- Workers who did not raise children in 2016 can file any tax form, including Form 1040EZ and do not need to file Schedule EIC—they write the dollar amount of their credit on the Earned Income Credit line on their tax form.

**Note:** The federal EITC does not count as income in determining eligibility for Family Independence Program (FIP) cash assistance, food assistance, Medicaid, Supplemental Security Income or public housing.

## SAVE MONEY!

You can find out where to get free tax help at:  
[www.michiganfreetaxhelp.org](http://www.michiganfreetaxhelp.org).