



What You Need to Know About the Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) is one of the most beneficial tax policies for low-income families. It is a refundable federal income tax credit for individuals and families who work and meet certain requirements. To be eligible for the EITC in the 2024 tax year, you must have earned income, which must be below a certain limit depending on how many qualifying children you have:

Number of Qualifying Children	Single, Head of Household or Widowed Limit	Married Filing Jointly Limit
0	\$18,591	\$25,510
1	\$49,084	\$56,004
2	\$55,768	\$62,688
3+	\$59,899	\$66,819

If you meet these income requirements, you may be eligible for the maximum credit:

Number of Qualifying Children	Maximum Credit in 2024
0	\$632
1	\$4,213
2	\$6,960
3+	\$7,830

Often, this credit will be larger than the amount of taxes that you owe. In this case, you will receive a tax refund. This can provide a once-a-year opportunity for families to access extra income, which can be put into a savings account or other savings vehicle, while allowing you to maintain the same budget.

How it works:

- You must have a valid Social Security number.
- You must have earned income from your job, working for yourself or another source.
- Your filing status cannot be married, filing separately.
- You must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- You cannot be a qualifying child of another person.
- You cannot file Form 2555 or 2555-EZ (related to foreign income).
- You can have only a limited amount of investment income; see *EITC Income Limits, Maximum Credit Amounts and Tax Law Updates* on the IRS website for the amounts.

Other Important Information about the EITC

- If you are eligible to receive the EITC through your federal income tax return, you may also be eligible to receive a credit through your state or local income tax return. There are currently 30 state and local governments that offer state EITCs.
- While federal refunds from the EITC cannot be used to determine eligibility for other social programs, state EITC funds may affect this eligibility. It is important to know if this is the case.
- Investment Income Limit must be \$11,600 or less for the year.
- Learn more about the EITC program by going to www.irs.gov and enter EITC into the search field at the top right of the screen.

Find out more at: www.wiserwomen.org



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