

PRESSRELEASE

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Mayor Reminds Families About Earned Income Tax Credit

Michigan City, IN (January 25, 2006) – Mayor Chuck Oberlie encourages Michigan City residents to determine if they are eligible for 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”. In Indiana, IRS estimates 15 percent or more qualifying Hoosiers do not apply for the EITC. In addition, taxpayers who qualify for EITC can retroactively claim three years of the EITC if eligible in the previous years.

The EITC is a refundable tax credit available to working families and individuals earning low and moderate incomes. 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, taxpayers must file a tax return and meet **one** of the following income qualifications for 2005:

- Have two or more children with earned income less than \$35,263 if single or \$37,263 if married and filing jointly;
- Have one child with earned income less than \$31,030 if single or \$33,030 if married and filing jointly;
- Have no children with earned income less than \$11,750 if single or \$13,750 if married and filing jointly.

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 or the free Volunteer Income Tax Assistant (VITA) center located at the Michigan City Public Library