

Taking Your Credit

Important Information about Available Tax Credits and Services





Disclaimer

- Information we will provide today is for outreach and information and referral purposes.
- For answers specific to the tax obligations for yourself or your clients, contact a tax preparer at a free tax site or a tax professional.
- Information provided is not meant to replace advice from qualified professionals.



Taking Your Credit

Important Information about Available Tax Credits and Service

- Your clients may qualify for tax credits
- Your clients may take advantage of free, high-quality tax preparation services
- Your clients won't be disqualified for Medicare, Medicaid, or SSI benefits



Types of Available Tax Credits

- Earned Income Tax Credit
- Child Tax Credit
- Child and Dependent Care Credit
- Credit for the Elderly and Disabled
- Retirement Savings Contribution Credit
- Education Credits
- Additional Credits



Earned Income Tax Credit

- Must have valid Social Security Number
- Earned income from employment, self-employment, or another source
- Calculated based on annual Adjusted Gross Income (AGI)
- Children are not required in order to claim EITC



Earned Income Tax Credit

- Between ages 25-65 if no child
- Children must meet IRS definition of “Qualifying Child”

Encourage Your Clients to File regardless of amount of Earned Income!!!!

- [Publication 596: Earned Income Credit](#)

Earned Income & AGI must each be less than	Tax Year 2014 Maximum Credit			
	No Children	1 Child*	2 Children*	3+ Child- ren*
\$46,999 (\$52,427 MFJ)				\$6,143
\$43,756 (\$49,186 MFJ)			\$5,460	
\$38,511 (\$43,941 MFJ)		\$3,305		
\$14,590 (\$20,020 MFJ)	\$496			





Child Tax Credit

- Available to taxpayers who have a child living with them under the age of 17
- You can be eligible even if you owe no taxes!!!

Encourage Your Clients to File

- [Publication 972, Child Tax Credit](#)



Child and Dependent Care Credit

- Did you pay for child or dependent care so that you can work (or look for work)?
- The credit can be worth over \$2000, depending on amount paid and your income
- Certain restrictions do apply
- [Publication 503, Child and Dependent Care Expenses](#)



Credit for the Elderly and Disabled

- For those who are 65 and older, or permanently and totally disabled
- If disabled, must have taxable disability benefits
- Up to \$1,125, though difficult to qualify for
- [Publication 524, Credit for the Elderly or Disabled](#)



Retirement Savings Contributions Credit

Did you contribute to a 401(k), 403(b) through your employer, or an IRA you established on your own?

You may qualify for a credit of up to \$2000.

- [Form 8880, Credit for Qualified Retirement Savings Contributions](#)

Education Credits

- American Opportunity Credit – for students (or their parents if they are supporting the student) for all four undergraduate years.
- Lifetime Learning Credit – for some of the expenses incurred while taking courses to improve your job skills.
- Tuition Deduction versus Credit – the education credits may be more advantageous.

Encourage Clients with Education Expenses to go to a free tax program!

- [Publication 970, Tax Benefits for Education](#)



Additional Credits for Individuals Who Are Disabled

- Higher standard deduction for those that are legally blind
- Deduction for impairment-related work expenses
- Medical expenditures deduction, including home improvements related to accessibility
- [Publication 907, Tax Highlights for Persons with Disabilities](#)

Tax Credits Will NOT Lower Your Benefits! *

- ALL Federal tax refunds and advanced tax credits received after January 1, 2010 qualify for a 12 month resource exclusion (POMS SI 01130.676)
 - State treatment of refunds have a mixed treatment as follows:
 - **Adult Assistance Manual SR 94-04** – refunds are excluded from income and resource tests.
 - **Family Assistance Manual SR94-04** – IRS or state reimbursements of taxes withheld in excess of actual tax obligation – excluded from income, **but counted resource**.
- Follow up with a benefit specialist if your client intends to save resources and receive services from Family Assistance.**



Meeting Tax Obligation

- Some clients may owe taxes
- Accessing the services puts them in better position to take corrective action
- Consequences of garnishment are real
- Services are available from IRS Tax Payer Advocate
- Penalties only occur if you ignore it.

Accessing Free Tax-Preparation Services

- Approximately 65 free tax sites available in New Hampshire through VITA/TCE.
- Go to [irs.gov](https://www.irs.gov) for site locations.
- Dial 2-1-1
- Some sites allow appointments; others allow walk-ins. Call ahead!
- Use the website, or call the IRS for sites near you:
1-800-829-1040
- [IRS article, Free Tax Preparation for You by Volunteers](#)

What Taxpayers Should Bring to Tax Preparation

- Original Social Security cards for you, your spouse, and all dependents (as well as their birthdates)
- A valid picture ID of you, and your spouse if married
- All 1099s and W2s for the current tax year
- Year-end documentation of Social Security benefits (the PINK form), if applicable
- A copy of last year's tax return, if available
- If divorced or separated and claiming a child, bring custodial form 8332
- Bank routing number and account number for direct deposit, if you have a bank account

Other Helpful Documentation to Bring

Anything that says: **IMPORTANT TAX DOCUMENT**

- 1098 tax statement for mortgage interest
- 1098 student loan interest statement from lender or log-in information
- 1099 bank statement
- Receipts for work-related, medical, or educational expenses
- Receipts for any home improvements related to a medical or disabling condition
- Receipts for any tax preparation fees you paid for in previous year
- Any automobile registrations
- Proof of child-care expenses as well as the providers SSN or EIN, and address of the provider
- Proof of any real estate taxes you paid
- Proof of charitable donations

When in doubt, BRING IT!



Benefits of Free Tax Prep

- All preparers are IRS Certified Volunteers
- Preparers can help you get the credits you deserve
- Some sites can help you file prior year taxes, if necessary (and if eligible, help you get your refund!)
- Sites e-file, and do direct deposit, so clients can have their money in as little as a week!!!!



Additional Benefits

- Low and Moderate Income Property Tax Relief (filing period May 1-June 30)
- Matched savings accounts for people that work (IDA programs)
- Property Tax Exemptions (community specific) based on disability, elderly, military families, etc. Each community is different.
- Other guidance on ways to save money

You're Not In It Alone

- Contact 2-1-1
- Internal Revenue Service
www.irs.gov 800-829-1040
- CASH Coalition of New Hampshire
www.cashcoalitionnh.org, or
cashcoalitionnh@gmail.com