



## EARNED INCOME TAX CREDIT

**The D.C. Earned Income Tax Credit (EITC) is designed to help working families. EITC is available to D.C. residents who work but do not earn high incomes. It could provide taxpayers a refund even if they do not owe any tax.**

Workers who live in D.C. can boost their incomes substantially simply by filing a tax return and claiming the District's EITC.

The EITC also encourages low-income parents to work and thus promotes welfare reform efforts.

The EITC is an alternative to the Low Income credit. Taxpayers may claim either the EITC or the Low Income Credit, but not both.

### Who is Eligible?

The Earned Income Tax Credit is a tax credit for workers with low or moderate incomes. To be eligible for the EITC, you have to work and have earnings below certain income limits. Even workers who owe no income tax may get the EITC as a tax refund.

D.C. workers can claim both a federal Earned Income Credit (EIC) and a D.C. EITC. The D.C. EITC equals 25 percent of a worker's federal EIC benefit.

### How do I figure my EITC?

EITC is easy to compute - just take 25 percent of your federal Earned Income Credit from your IRS tax return and enter that amount on your District of Columbia D-40 tax return.

The Earned Income Tax Credit serves several important purposes. Most importantly, the EITC helps reduce child poverty. Nationally, the EITC now lifts nearly 5 million children out of poverty, more than any other government program.

**Be sure to attach a completed and signed copy of your federal IRS tax return.**

#### *Restrictions:*

*1. To claim the EITC, you must file a D-40 or D-40EZ tax return. You may file these either as paper returns or electronically.*

*2. Married couples must file either a joint return or a combined separate return on Form D-40 if they wish to claim the EITC.*





EITC  
Earned Income Tax Credit  
*A Credit that Works for Hard-Working D.C. Families*

**How does EITC Work?**

EITC is easy to compute - just take 25 percent of your federal Earned Income Credit (EIC). Individuals filing District income tax returns for the full calendar year will be granted a credit equal to 25 percent of the federal credit allowed under section 32 of the Internal Revenue Code (the federal EIC).

If you live in D.C. for less than the full calendar year, you must prorate your EITC according to the number of months you were a D.C. resident.

Office of Tax & Revenue customer service representatives are available to answer any questions you may have or to provide additional information and assistance.

Please call us at (202) 727-4TAX (4829)  
Or visit our  
Customer Service Center  
941 North Capitol Street, NE, 1<sup>st</sup> Floor  
Washington, D.C. 20002

Exception: Taxpayers may claim the new District EITC or the Low Income Tax Credit, but not both. Taxpayers should complete the EITC worksheet included in the tax booklet to determine which credit is most advantageous.



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