

As Tax Season Approaches...

There is Help for Pennsylvania's Working Families!

Too many of Pennsylvania's working families are struggling to make ends meet. They are losing jobs, while others patch together part-time jobs to support their families. Increasing numbers of working families live "paycheck to paycheck," barely able to cover essentials such as housing, child care, transportation, food, and health care. Without some sort of assistance, they cannot save to build a financial buffer for an emergency.

The income tax season may be a time of additional stress—"Was our withholding enough? Will we owe more money? How would we pay?" For many of these families, however, there may be relief for that stress—relief that can provide families with additional income, and in many cases, could lift them out of poverty.

The Earned Income Tax Credit, also known as EITC or EIC, has the potential to help nearly 750,000 Pennsylvanians each year. The EITC is the nation's largest and most powerful anti-poverty program; larger than the Temporary Assistance for Needy Families (TANF) and Food Stamp Programs combined. Enacted by Congress in 1975, the EITC already makes a big difference in the lives of thousands of Pennsylvania residents each year.

HOW DOES THE EITC HELP? The EITC helps by putting money back in the pockets of low income working families—as much as \$4,536, the maximum value of the EITC. In order to qualify, a family member must have worked, even part-time, in 2006.

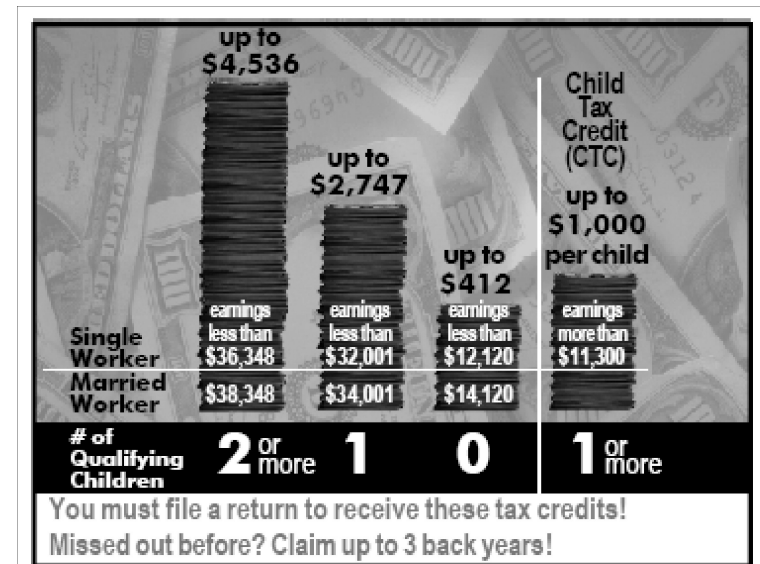
WHAT DOES THAT MEAN FOR THESE FAMILIES? The EITC can help families pay their bills and build a better

future. Families receiving credits find that they are able to put money into savings, make a down payment on a car, or just get a better handle on day-to-day expenses.

SO, WHAT'S THE BAD NEWS? Many families miss out each year on this valuable credit. According to the Internal Revenue Service (IRS), approximately 15-20% of eligible families fail to claim the credit. Many other families reduce the potential impact of the EITC by taking costly rapid anticipation loans (RAL's) or paying high tax preparer fees.

AND NOW, THE GOOD NEWS! Your family or families you care about may be eligible for the EITC and not even know it! The graph below offers some basic criteria that must be met for families to claim the EITC. Also, many free tax preparation sites are available throughout the state to assist working families and individuals with their taxes. Why pay tax preparer fees when IRS trained volunteers can prepare your taxes for you?

The Pennsylvania Council of Churches has joined with the United Way of Pennsylvania and other statewide partners to raise awareness about this valuable credit. For more information on EITC or free tax preparation sites in your area, contact the IRS at 1-800-829-1040.



This important message provided by the
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