

Families Can Apply for Tax Refund; Free Tax Filing

Thousands of hard-working, middle class families are struggling to pay their bills in these tough economic times and many do not realize they are eligible for a refundable tax credit when they file their 2009 federal and state income taxes.

The Earned Income Tax Credit (EITC) is the largest federal cash benefit to low-income workers.

For the federal income tax, workers with one child and earning less than \$35,463 in 2009 are eligible for a tax credit up to \$3,043. Workers raising more than one child with income less than \$40,295 can get up to a \$5,028 credit. Working individuals between the ages of 25 and 64, who are not raising children in their home, and had income less than \$13,440 are eligible for a \$457 tax credit.

Iowa recently expanded eligibility for the EITC on state taxes and made the credit refundable to more Iowa families. This additional \$10 million tax cut expanded the credit to another 66,000 Iowa families in addition to the 100,000 families who were already eligible for a refund.

According to the Internal Revenue Service, about 25% of eligible workers don't claim the credit. For more information or assistance on the EITC, call 1-800-829-8482 to find your local tax assistance site or log on to www.irs.gov.

In addition, a public-private partnership, the Free File Alliance, is offering middle class families who meet certain income guidelines a fast, free, and safe way to do their taxes online.

Iowans should take advantage of this free service because even if you don't owe any state income tax, you may have the opportunity to receive a refund.

The program is made possible through a partnership between the IRS and the Free File Alliance. To learn more, visit www.freefile.irs.gov.