

EITC Guidelines for Tax Year 2008

Rules for everyone that have not changed:

- The taxpayer's filing status cannot be married, filing separately.
- The taxpayer must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- The taxpayer cannot be a qualifying child of another person.
- If the taxpayer does not have a qualifying child, he or she must:
 - Be age 25 but under 65 at the end of the year,
 - Live in the United States for more than half of the tax year, and
 - Not qualify as a dependent of another person.

Changes for Tax Year 2008

Earned income and adjusted gross income (AGI) must each be less than:

- \$38,646 (\$41,646 married filing jointly) with two or more qualifying children;
- \$33,995 (\$36,995 married filing jointly) with one qualifying child;
- \$12,880 (\$15,880 married filing jointly) with no qualifying children.

2007 Maximum Credit:

- \$4,824 with two or more qualifying children
- \$2,917 with one qualifying child
- \$438 with no qualifying children

Investment income must be \$2,950 or less for the year.

Maximum Amount of Advanced Earned Income Credit for Tax Year 2007 is \$1,750

Does the EITC affect other benefits?

The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, supplemental security income (SSI), food stamps, low-income housing, or most Temporary Assistance for Needy Families (TANF) payments (varies by state).

