

INFORMATION ON NEW YORK'S EARNED INCOME CREDITS

For tax year 2010



The information presented is current as of this publication's print date. Visit our Web site at www.tax.ny.gov for up-to-date information.

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General information

New York State, New York City, and the federal government offer earned income credits to low-income workers that can total as much as \$7649.10 for tax year 2010.

Even if you did not earn enough to owe any taxes, you can still receive a check from both the Internal Revenue Service (IRS) and the New York State Tax Department if you are eligible for the earned income credit.

Federal earned income credit

What is the federal earned income credit?

The federal earned income credit is a tax credit for certain people who work and have earned income under \$48,362. The credit reduces the amount of tax you owe, or provides you with a refund even if you do not owe any tax. The credit can be as much as \$457 if you do not have a qualifying child. If you have one qualifying child, the credit can be as much as \$3,050. If you have two qualifying children, the credit can be as much as \$5,036. If you have three or more qualifying children, the credit can be as much as \$5,666.

Do I qualify for the federal earned income credit?

You qualify for the federal earned income credit if you meet the following conditions:

- You must have worked and earned some income during tax year 2010.
- Your earned income and your federal adjusted gross income must each be less than \$43,352 (\$48,362 if married filing jointly) if you are a worker with three or more qualifying children; \$40,363 (\$45,373 if married filing jointly) if you have two qualifying children; \$35,535 (\$40,545 if married filing jointly) if you have one qualifying child; or \$13,460 (\$18,470 if married filing jointly) if you do not have a qualifying child, and you are at least age 25 but under age 65 at the close of the tax year.

A *qualifying child* is one who:

- is your son, daughter, stepchild, or a descendant of any of them (for example, your grandchild); or
- is your brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew); or

- is an eligible foster child (any child placed with you by an authorized placement agency, or by judgment, decree, or other order of any court of competent jurisdiction); and
 - has lived with you in the U.S. for more than half the year in 2010 (other qualifying children include those who were born or died in 2010, if your home was the child's home while he or she was alive); and
 - is under the age of 19 at the end of 2010, or is under age 24 at the end of 2010 and a full-time student, and was younger than you (or your spouse, if filing jointly), or is any age and permanently and totally disabled.
- You are not a qualifying child of another person in 2010.
 - Your *investment income* is no more than \$3,100. For most people, *investment income* is the total amount of:
 - taxable interest,
 - tax-exempt interest,
 - ordinary dividends income,
 - capital gain net income, plus
 - certain nonbusiness rents and royalties.
 - Your principal home must be in the United States for more than half of 2010. Military personnel stationed outside the United States on extended active duty are considered to live in the United States during that duty period for purposes of the earned income credit.
 - Your federal filing status cannot be *married filing separately*.

How do I claim the federal credit?

You must file a federal income tax return to get the earned income credit, even if you would not otherwise have to file a return. If you qualify for the earned income credit, it will reduce the amount of income tax you owe or increase your tax refund.

If you are eligible to take the credit because you have a qualifying child or children, you must complete federal Schedule EIC, *Earned Income Credit*, and attach it to your federal Form 1040 or Form 1040A. Schedule EIC is not required when you claim the earned income credit under the rules for taxpayers without a qualifying child. For more information, see your federal instructions.

How can I receive federal earned income credit assistance?

- The IRS offers a free publication that provides details about how to obtain the earned income credit. You can get a copy of Publication 596, *Earned Income Credit (EIC)*, and other forms and instructions from the IRS Web site at *www.irs.gov*, or by calling toll free 1 800 829-3676.
- You can also call toll free 1 800 829-1040 to ask questions about the earned income credit and other tax issues. Assistance is available 24 hours a day, seven days a week during filing season.
- During filing season, January 1 through April 15, the IRS offers free tax help. Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites are located at many schools, public libraries, community centers, and churches. Call 1 800 829-1040 to find the nearest VITA/TCE assistance site closest to you.

New York State earned income credit

What is the New York State earned income credit?

If you qualify, the New York State earned income credit is 30% of the federal earned income credit. However, the New York State credit must be reduced by the amount of any household credit you are allowed.

If you are a New York State resident or part-year resident, the credit will reduce the amount of tax you owe or increase your refund. If you are a New York State nonresident, you may use the credit only to reduce the tax you owe. You cannot receive a refund of the credit.

Do I qualify for the New York State earned income credit?

To qualify for the New York State credit you must have claimed the federal earned income credit for tax year 2010.

How do I claim the New York State credit?

You must file a New York State income tax return to get the state earned income credit, even if you would not otherwise have to file a return. Complete New York State Form IT-215, *Claim for Earned Income Credit*, and attach it to your state income tax return.

For more detailed information on Form IT-215 and how to claim the credit, see Form IT-215-I, *Instructions for Form IT-215*. To obtain a copy of Form IT-215, see *Need help?* on the back cover of this publication, or go to our Web site at *www.tax.ny.gov*.

How can I receive New York State earned income credit assistance?

If you need assistance or forms and instructions for the New York State earned income credit, see *Need help?* on the back cover of this publication.

New York City earned income credit

What is the New York City earned income credit?

If you qualify, the New York City earned income credit is 5% of the federal earned income credit. The city credit will reduce the amount of city tax you owe or increase your refund. Only New York City full-year residents and part-year residents may claim a New York City earned income credit. For part-year city residents, the amount of the credit is subject to proration. This credit is in addition to the federal and New York State earned income credits.

Do I qualify for the New York City earned income credit?

To qualify for the New York City earned income credit:

- You must have been a full-year or part-year resident of New York City for 2010.
- You must have claimed the federal earned income credit for 2010.

How do I claim the New York City earned income credit?

You must file a New York State income tax return for 2010, even if you would not otherwise have to file a return. Complete Form IT-215, *Claim for Earned Income Credit*, using the information from your federal return, worksheets, and if applicable, the federal return's earned income credit line instructions. You must also complete the New York City earned income credit section on the back of Form IT-215. Attach Form IT-215 to your New York State income tax return.

Note: Because of the different methods in computing the New York State and New York City earned income credits, if you qualify for the New York City earned income credit you may end up with a New York City earned income credit amount even if you do not end up with a New York State earned income credit amount (for example, the New York State earned income credit is reduced by the amount of the New York State household credit but the New York City earned income credit is **not** reduced by the amount of the New York City household credit).

How can I receive New York City earned income credit assistance?

If you need assistance or forms and instructions for the New York City earned income credit, see *Need help?* on the back cover of this publication.

**Noncustodial
parent New York
State earned
income credit
(noncustodial EIC)**

**What is the
noncustodial EIC?**

The noncustodial EIC is a credit that may be claimed by eligible taxpayers instead of the New York State earned income credit (NYS EIC). The credit is available for tax years beginning on or after January 1, 2006, and before January 1, 2013.

The amount of credit is equal to the greater of:

- 20% of the federal EIC that would have been allowed if the noncustodial child met the definition of a qualifying child, computed as if you had one qualifying child and without the benefit of the joint return phase out amount (even if your filing status is *Married filing joint return*); **or**
- 2.5 times the federal EIC that would have been allowed if you had satisfied the eligibility requirements, computed as if you had no qualifying children.

If the amount of credit is greater than your tax liability, the excess may be refunded without interest.

**Do I qualify for the
noncustodial EIC?**

To qualify for the noncustodial EIC you must meet **all** of the following conditions for tax year 2010:

- You must be a full-year New York State resident.
- You must be at least 18 years of age.
- You must be a parent of a child (or children) who did **not** reside with you and was under 18 years of age on December 31, 2010.
- You must have an order in effect for at least one-half of the tax year requiring you to make child support payments payable through a Support Collection Unit (SCU) pursuant to Social Services Law section 111(h).
- You must have paid an amount in child support in 2010 at least equal to the amount of current child support you were required to pay by all court orders.

New York State will not allow a claim for the noncustodial EIC unless the Tax Department has received verification of eligibility from the Office of Temporary and Disability Assistance (OTDA).

The Tax Department receives this information automatically. The eligibility verification requires no action on your part.

What if I am eligible for both the noncustodial EIC and the New York State earned income credit?

If you are eligible for the noncustodial EIC and the New York State earned income credit for 2010, complete New York State Form IT-209, *Claim for Noncustodial Parent New York State Earned Income Credit*, to determine which credit offers you a greater benefit. You **cannot** claim both the noncustodial EIC and the New York State earned income credit.

How do I claim the noncustodial EIC?

Complete New York State Form IT-209, *Claim for Noncustodial Parent New York State Earned Income Credit*, and attach it to your New York State income tax return.

For more detailed information on Form IT-209 and how to claim the credit, see Form IT-209-I, *Instructions for Form IT-209*. To obtain a copy of Form IT-209, see *Need help?* on the back cover of this publication, or go to our Web site at www.tax.ny.gov.

How can I receive noncustodial EIC assistance?

If you need assistance or forms and instructions for the noncustodial EIC, see *Need help?* on the back cover of this publication.

Notes

Need help?



Internet access: www.tax.ny.gov

Get answers to your questions; check your refund status; check your estimated tax account; download forms and publications; get tax updates and other information.



Telephone assistance is available from 8:30 A.M. to 4:30 P.M. (eastern time), Monday through Friday.

Refund status: (518) 457-5149
(Automated service for refund status is available 24 hours a day, 7 days a week.)

Personal Income Tax Information Center: (518) 457-5181

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.