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**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE**

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**Vermonters Urged to Check Eligibility for Tax Credit**

MONTPELIER, Vt.—It is estimated that thousands of Vermonters will miss claiming millions of dollars in tax refunds this year. The Internal Revenue Service estimates that nationally 20 to 25 percent of all taxpayers eligible for the Earned Income Tax Credit (EITC) don't claim the money available to them. The maximum credit that may be claimed for a family with two or more children is \$4,716; for a family with one child, \$2,853; and for a taxpayer with no children, \$428.

The EITC is a special tax benefit for working people who earn low or moderate incomes. The credit was created in 1975, but the IRS reports that many eligible taxpayers don't file for the credit because they are not aware of it. For the 2006 tax year, 36,956 Vermont taxpayers claimed the federal credit worth \$58,738,235. The average EITC refund was \$1,589.

"In Vermont, working families also can receive additional money through a refundable State EITC," said State Treasurer Jeb Spaulding. "EITC represents a significant boost to the income of families who could most use the extra funds. As Vermont taxpayers prepare their taxes this year, I want to urge everyone to check their eligibility and make sure they do not miss claiming this tax credit."

According to data released by the Vermont Tax Department, 36,681 Vermonters claimed the State EITC for the 2006 tax year worth \$18,923,385.

Generally, a taxpayer may be able to take the credit for tax year 2007 if the taxpayer:

- has more than one qualifying child and earns less than \$37,783 (\$39,783 if married filing jointly); or
- has one qualifying child and earns less than \$33,241 (\$35,241 if married filing jointly) or
- does not have a qualifying child and earns less than \$12,590 (\$14,590 if married filing jointly).

Vermont's EITC State law allows a resident to receive an additional tax credit of 32 percent of the amount the taxpayer receives from the Federal EITC. For example, if a taxpayer was receiving the maximum Federal EITC of \$4,716, the State EITC would be approximately \$1,509. A taxpayer may claim the extra credit by completing the 2007 Vermont Tax Adjustments and Credits, form IN-112.

Another resource for eligible Vermont taxpayers is the network of free tax assistance sites. A range of local volunteers, non-profit organizations and businesses currently offer tax-filing help to low to moderate income Vermonters across the state.

“Last year we assisted almost 700 taxpayers with filing their taxes,” said Central Vermont Community Action Council Executive Director Hal Cohen. “Our certified tax preparers make a point of checking a client’s EITC eligibility. We’ve seen repeatedly what a difference this tax credit can make for income-sensitive families.”

A list of free tax assistance sites is available through the State Treasurer’s web site by going to [www.MoneyEd.Vermont.gov](http://www.MoneyEd.Vermont.gov). The IRS also offers a web site with an easy-to-use interactive tool to help taxpayers determine whether they qualify for the EITC. The EITC Assistant is located at [www.irs.gov/eitc](http://www.irs.gov/eitc). The Vermont Department of Taxes sponsors a taxpayer information line. The toll-free in Vermont phone number is 1-866-828-2865.

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