



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

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Many Vermonters Do Not Claim Tax Credit Worth Thousands of Dollars

MONTPELIER, Vt.—Vermonters who are exploring all avenues to shore up their personal finances shouldn't overlook an under-claimed tax credit that literally could return thousands of dollars to each eligible family. At a State House event today, state and federal officials, legislators, and non-profit groups called attention to the Earned Income Tax Credit and encouraged more people to check their eligibility.

"Nationwide, organizations are today observing EITC Awareness Day to promote this special tax benefit that is for working people who earn low or moderate incomes," said State Treasurer Jeb Spaulding. "We don't want a single eligible Vermonter to miss claiming a refund they are legally entitled to."

The Internal Revenue Service estimates that nationally 20 to 25 percent of all eligible taxpayers don't file for the EITC, many because they are unaware of it.

"Vermonters may claim both a federal and a state EITC," said IRS Senior Tax Consultant Christine Curtis. "For the 2007 tax year, the IRS reports that 39,059 Vermont taxpayers claimed the federal credit worth \$63,015,952. The average refund was \$1,613."

The Vermont Tax Department reports that 38,478 Vermonters claimed the state EITC for the 2007 tax year worth a total of \$20,151,743. The average refund was \$524. 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 \$4,824, the state EITC would be approximately \$1,543.

A taxpayer may claim the extra credit by completing the 2008 Vermont Tax Adjustments and Credits form IN-112.

"I think people will be surprised at how high the earning level is for people who can claim this credit," said State Senator Diane Snelling. "On the upper limit, if a Vermont family is filing a joint tax return, earns less than \$42,000, and has more than one qualifying child, they are eligible to claim the credit."

Generally, a taxpayer may be able to take the credit for the 2008 tax year if the taxpayer:

- has more than one qualifying child and earns less than \$38,646 (\$41,646 if married filing jointly); or
- has one qualifying child and earns less than \$33,995 (\$36,995 if married filing jointly); or

- does not have a qualifying child and earns less than \$12,880 (\$15,880 if married filing jointly).

In addition, families that receive the state EITC are financially eligible for food stamps. Households that participate in the food stamp program—newly renamed 3Squares VT—also qualify for other resources such as free school meals for their children, which can save families hundreds of dollars a year.

Another resource for eligible Vermonters is the network of free tax assistance sites.

“We want to make Vermont taxpayers aware of these tax assistance sites statewide, most of which open for business February 2,” said State Representative John Zenie. “In the past, it’s been my privilege to work as a volunteer at the free sites. I saw first-hand how helpful this assistance is to low and moderate-income Vermonters.”

Last year, the Vermont Volunteer Income Tax Assistance (VITA) sites helped more than 2,000 taxpayers file their taxes. Vermonters who earned less than \$42,000 in 2008 are eligible to receive free assistance in preparing and filing their taxes. AARP also offers free tax counseling and preparation services to low and middle income level Vermonters, but especially for those age 60 and older. AARP Tax-Aide served more than 3,500 individual Vermont taxpayers last year.

“Both VITA and AARP tax assistance sites are staffed by IRS-certified tax assistants,” said Casey Family Services Community Liaison Robyn Bahar, whose organization sponsors one of the sites. “Volunteers from local businesses, non-profit organizations and community groups play a key role in staffing the 47 sites open statewide this year to serve Vermonters. All of our tax preparers make a point of checking a client’s EITC eligibility.”

A list of free tax assistance sites is available through the State Treasurer’s web site by going to www.MoneyEd.Vermont.gov and by calling the United Way Information Line at 2-1-1. 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. The Vermont Department of Taxes sponsors a taxpayer information line. The toll-free phone number in Vermont is 1-866-828-2865 or 802-828-2865 for local calls.