



STATE EARNED INCOME TAX CREDIT

(Tax Year 2011)

What is it?

The Michigan Earned Income Tax Credit (Michigan EITC), like the federal EITC, is designed to supplement wages and reduce the tax burden on low- or moderate-income workers. Tax Year 2011 is the fourth year in which it will be in effect.

Who Qualifies?

All workers who are eligible for the federal EITC are categorically eligible for the state EITC.

How Does It Work?

The state EITC for Tax Year 2011 is equal to 20 percent of the federal EITC.

How Do Filers Claim the Credit?

Filers must do their federal taxes first. A filer's completed federal tax form will indicate the amount of federal EITC for which he or she is eligible. The filer then simply writes that federal EITC amount on Line 28a of the MI-1040. The filer then multiplies that amount by .20 (20%) and enters that amount on Line 28b.

Where Can Filers Get Free Tax Help?

Filers should be encouraged to avoid going to commercial preparers for tax services that cost them money. There are two ways that filers can submit their taxes for free:

- 1) If they do not need help, they can file taxes themselves. They can use paper forms, or they can file electronically for free using **I-CAN! E-File**, a web-based software that is available at www.MichiganEIC.org or www.icanefile.org. It is written at a fifth-grade literacy level and is available in English and Spanish.
- 2) Filers can also get free tax assistance at one of the many Volunteer Income Tax Assistance (VITA) sites around Michigan. Information on the location and hours of the VITA sites is available at www.MichiganEIC.org or by calling 2-1-1 (or 1-800-552-1183 if 2-1-1 is not available). In some counties, 2-1-1 is also able to determine EITC eligibility or set appointments for tax assistance.

Remember...

The state EITC is 20 percent of the federal EITC for Tax Year 2011, and is refundable—filers can receive a higher credit than the amount of money they owe in Michigan income tax.