

FREQUENTLY ASKED QUESTIONS

EITC & WFC

benefitsSF

What is the Earned Income Tax Credit (EITC)?

The EITC is a refundable tax credit for workers with low or moderate incomes. It is intended to help offset some of the increases in living expenses and Social Security taxes. This credit reduces the amount of tax owed, if any, and may result in a refund to the taxpayer. To be eligible for EITC, the taxpayer must meet Federal eligibility guidelines and income limits. The taxpayer applies once a year at tax time by submitting the EITC form (called “Schedule EIC”) to the IRS as part of the federal tax return. Even if an individual/family is too low income to owe taxes, they may still qualify for the EITC. In 2010, the EITC was worth up to \$5,600 for some families!

I have an Individual Taxpayer Identification Number (ITIN). Can I claim the Earned Income Tax Credit or Working Families Credit?

No. Individual Taxpayer Identification Numbers (ITIN) issued by the IRS to non-citizens cannot be used to claim any of these credits.

Will my tax information be reported to law enforcement or immigration authorities if I claim the EITC or the Working Families Credit?

No. Information on tax returns is confidential. The IRS cannot share individual tax information with other government agencies, including the U.S. Immigration and Citizenship Services (USCIS). There are some exceptions, for example if the taxpayer is involved in federal criminal or terrorism investigations or when the IRS thinks someone is breaking a tax law.

I am not a United States citizen. May I claim EITC or the Working Families Credit?

To claim these credits, legal immigrant workers, their spouses and children listed on the “Schedule EIC” form must each have valid Social Security numbers.* In addition to having a valid Social Security Number, immigrants must meet all the following conditions to qualify for the EITC:

1. Main home must be in the United States
2. All children listed on the “Schedule EIC” form must have lived with the immigrant worker in the U.S. for more than six months of the year
3. Must be a “resident alien for tax purposes” for the entire tax year, unless he or she was married to a U.S. citizen or a resident alien as of December 31 of the tax year, AND files a joint tax return with the spouse and chooses to be treated as a resident alien for the entire year

Examples of people who would qualify as a “resident alien for tax purposes” include but are not limited to:

1. A legal permanent resident (someone holding a green card)
2. Any other immigrant who has lived in the U.S. a substantial amount of time and can file using a 1040 form (rather than a 1040NR)

*The Social Security Numbers must be either “employment authorized” (meaning that they permit them to work legally in the United States) or must have been issued in order to receive a state or local benefit (rather than a federal benefit).

**For additional details on how much time is needed to establish “substantial presence,” go to:

www.irs.gov/taxtopics/tc851.html

Will getting these tax credits reduce the amount of other government benefits I am eligible to receive?

In general, no. The EITC is not counted as income for CalWORKs, federal housing assistance, food stamps, SSI, or Medicaid. The EITC refund does not count against resource limits the month of receipt or the following month (and does not count for 12 months for Food Stamps). Rules regarding other programs, for example, child care subsidies, heating assistance, and General Assistance (GA) are determined by the state of California

Like the EITC, San Francisco's Working Families Credit is not counted as income and therefore has no impact on an individual's eligibility for public benefits.

What is the Working Families Credit (WFC)?

The San Francisco Working Families Credit (WFC) is a local credit for qualified low-income working families in San Francisco and connects families to additional resources and discounts year-round (e.g. Muni Lifeline pass, City CarShare discount membership, Food Stamps, Medi-Cal, Healthy Families). To receive the maximum credit, applicants must request direct deposit to their bank account and attach required proof of account.

Am I eligible for the Working Families Credit?

To be eligible for the Working Families Credit, your family must meet the following 3 conditions:

- 1) File a federal income tax return by April 15th.
- 2) Claim and be eligible for the Earned Income Tax Credit (EITC) on your federal income tax return.
- 3) Claim at least one qualifying dependant child on your federal income tax return (Form is called the "EIC Scheduled.")
- 4) Live in San Francisco at the time you file your taxes

Remember, immigrant workers' children must have lived with them in the U.S. for more than six months of the year to be considered qualifying children for the EITC and WFC.

How do I apply for the Working Families Credit?

You must complete a separate application either when you file your taxes or any time between filing your taxes and April 15th. You can complete an application on paper or electronically using Turbo Tax or H&R Block filing software. If completing the application in Turbo Tax or H&R Block software, note that you must print out the form and sign the 2 required pages before submitting to the City. Paper applications are available in English, Spanish, Chinese, Vietnamese, and Russian at the following locations from January – April:

- All San Francisco public libraries
- Free tax preparation sites in San Francisco (for more information about income limits and where families can get their taxes prepared for free, call 2-1-1 or visit <http://www.earnitkeepitsaveit.org/>)
- All San Francisco H&R Block offices and select independent tax provider offices throughout the City.
- Human Services Agency, 170 Otis Street, 1st Floor Reception Area
- City Treasurer's Office in City Hall (Room 140)
- Various family & youth focused community-based organizations throughout San Francisco

If you have access to the Internet and a printer, you can visit the program website between January and April to download a current application. Visit us at: www.workingfamiliescredit.org

Where do I send my WFC application?

By Mail: City & County of San Francisco – WFC Program – PO Box 7988 – San Francisco, CA 94120
Or Hand Deliver to: Human Services Agency – 170 Otis, First Floor Reception Area (use the lime green WFC drop box OR Any 'free tax preparation' site in San Francisco)

When is my WFC application due?

Your completed application must be postmarked or delivered by April 15th to be considered for eligibility.

When should I expect my Working Families Credit if I am eligible?

You should receive your credit by the end of October following tax season.

FOR MORE INFORMATION, CALL THE WFC INFO LINE: 415-557-6284

This Fact Sheet is current as of June 2010. It is not to be used as a substitute for Federal, State or County regulations. Contact the IRS for current EITC regulations and policy, and contact the SF Human Services Agency for current WFC regulations and policy.