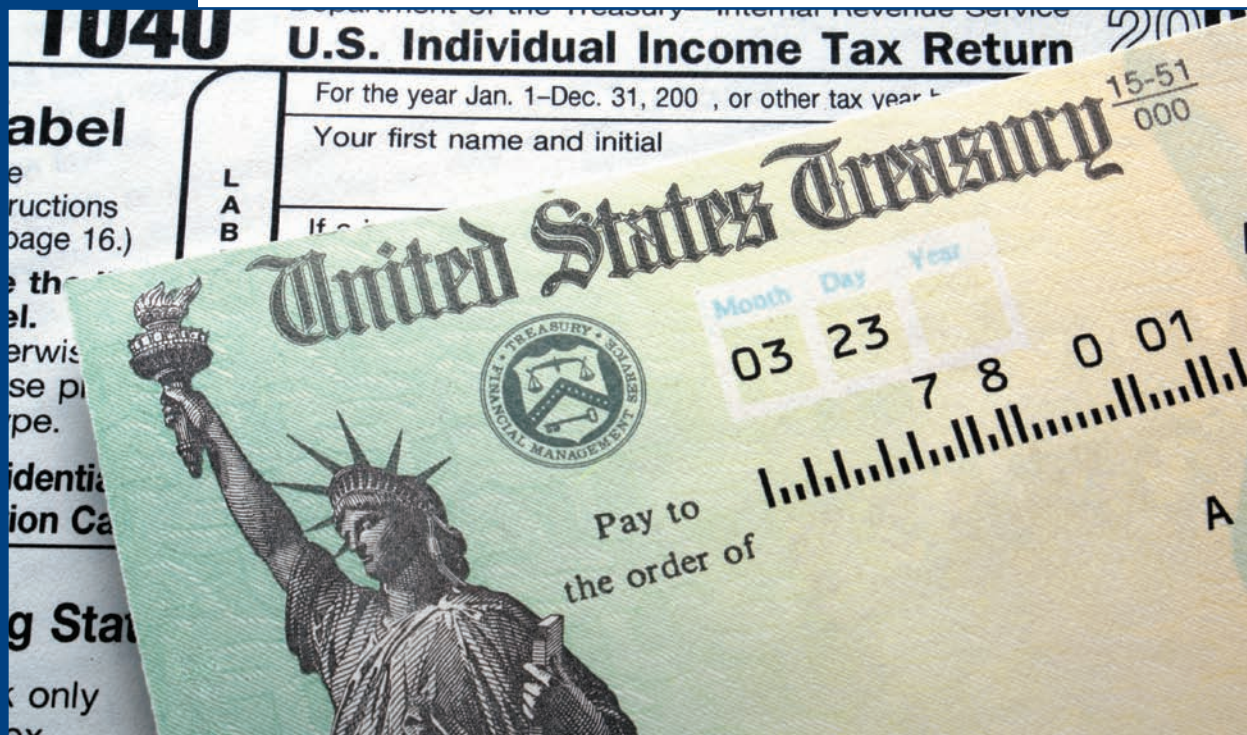


Taking Your Credit

Important Information about
Available Tax Credits and Services



- You may qualify for tax credits
- You can take advantage of free, high-quality tax preparation services
- You won't be disqualified from Medicaid or other public benefit programs

Table of Contents

3 Types of Available Tax Credits

- 3 Earned Income Tax Credit (EITC)
- 3 Important Information About Eligibility for Tax Credits
- 3 Child Tax Credit
- 3 Child and Dependent Care Credit
- 4 Credit for the Elderly or the Disabled
- 4 Retirement Savings Contributions Credit
- 4 Education Credits
- 4 Additional Credits

5 Tax Credits: How Two Families Can Benefit

6 Accessing Free Tax-Preparation Services

- 6 What to Bring with You

6 Claiming Your Tax Credit: What You Need to Do

7 You're Not in It Alone

7 Are You Eligible for Additional Services?

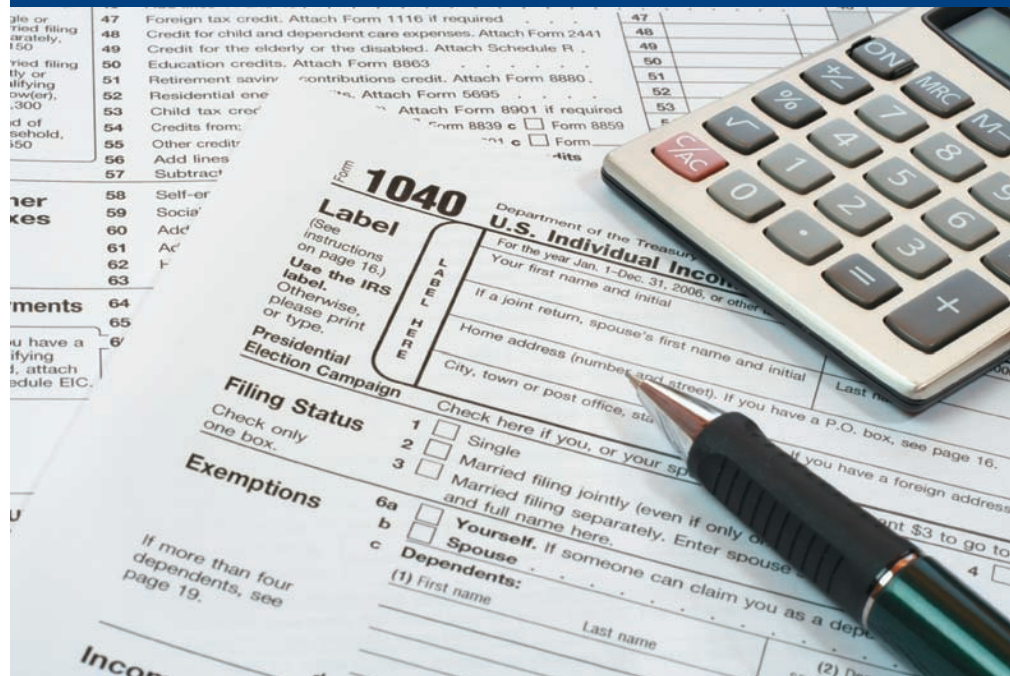
About This Brochure

This brochure does not provide detailed eligibility guidelines, nor does it imply that all individuals will be eligible for all the credits described. Thorough information about each credit is available from the Internal Revenue Service (IRS) at www.irs.gov or from your tax preparer, who can provide information specific to your personal situation.

Let Your Taxes Work for You

Ensuring You Get All Your Available Benefits

Filing your taxes doesn't have to be a headache. Instead, you can get help from tax professionals who may be able to identify any number of tax credits that could lower your total tax bill or even result in a refund to you. The first step is to be aware of the available services and programs. This brochure is designed to outline some of the most common tax credits available and describe how you can take the necessary steps to ensure you receive all the benefits you're eligible for.



Need Help Identifying the Credits Available to You?

Statewide, there are approximately 75 free tax clinics with certified volunteers who can help you identify and claim all the credits you are eligible for. The section *Accessing Free Tax-Preparation Services* on page 6 provides more details about the clinics.

Types of Available Tax Credits

There are many types of available tax credits. Here's a look at some that could save you money.

Earned Income Tax Credit (EITC)

The most common tax credit available to working people with disabilities is the earned income tax credit (also called the EITC). However, in 2009 the IRS estimated that, nationally, between 20% and 25% of those eligible for the EITC did not claim it.

The EITC helps low- and moderate-income workers and working families. Generally to qualify for the EITC, you must have earned income as an employee, independent contractor, farmer, or business owner.

Important Information About Eligibility for Tax Credits

The information provided here about tax credits is only a simple overview. Additional eligibility and financial rules apply. Not all individuals will be eligible for all the credits described here. When you use one of the free tax clinics available statewide (see *Accessing Free Tax-Preparation Services* on page 6), a preparer can provide more information and calculate the specific credits for your situation.

How Much the EITC Is Worth

It's important to consider your eligibility for the EITC because it may be worth as much as \$5,666 in tax year 2010, depending on your earned income, as shown below:

Maximum Income and EITC for 2009			
Single Person	Married Couple Filing Joint Tax Returns	Number of Qualifying Children*	Maximum EITC
\$43,352	\$48,362	3 or more	\$5,666
\$40,363	\$45,373	2	\$5,036
\$35,535	\$40,545	1	\$3,050
\$13,460	\$18,470	0	\$457

**For the definition of a qualifying child, contact the tax clinic near you (see *Accessing Free Tax-Preparation Services* on page 6 for information).*

It's important to stress that other eligibility requirements apply. To find out if you qualify, ask your tax preparer or see *IRS Publication 3211*, available online at www.irs.gov. However, with such a substantial possible credit, you can see why it's worth determining if you qualify for the EITC!

Child Tax Credit

If you have children younger than the age of 17 who were living with you in 2010, you may be able to claim a tax credit up to \$1,000 **for each child**. Some families may receive or be eligible for this credit even if they don't owe any income tax. The volunteers at the free tax clinics across the state can provide information specific to your situation.

Child and Dependent Care Credit

If you have children or other dependents (such as an elderly parent who is physically or mentally incapable of self-care) who rely on you for care, you may be able to claim the child and dependent care tax credit.

You may be eligible for the credit if you paid for child or dependent care so that you could either work or look for work. (Note that the person providing the dependent care cannot be one of your dependents; there are other restrictions as well.)

For tax year 2010, this credit may be worth up to \$2,100, depending on total expenses. The volunteers at the free tax clinics across the state can provide information specific to your situation.

Credit for the Elderly or the Disabled

If you are age 65 or older—or if you retired with a status of *permanent and total disability* and you received disability benefits that you paid taxes on in 2010—you may be eligible for the credit for the elderly or the disabled. (*Permanent and total disability* means you are unable to be employed for pay.)

Depending on the situation, the credit for the elderly or the disabled is worth between \$3,750 and \$7,500 in tax year 2010.

The volunteers at the free tax clinics across the state can provide information specific to your situation.

Retirement Savings Contributions Credit

If, during 2010, you contributed to a *qualified retirement plan*—meaning a plan such as a 401(k) or 403(b) offered through your employer, or an individual retirement account (IRA) you established on your own—you may be eligible for a credit of up to \$1,000 (up to \$2,000 if you are married).

The volunteers at the free

tax clinics across the state can provide information specific to your situation.

Education Credits

There are two available credits for education. You may be eligible for a credit for:

1. Some of the tuition and expenses for a dependent (including a child or spouse) who is currently enrolled in the first four years of a program that will earn a degree or certificate, or
2. Some of the expenses incurred while taking courses at an educational facility to improve your job skills.

In some situations, it may be more beneficial to deduct an amount equal to the qualified tuition and related expenses, rather than take a tax credit. The volunteers at the free tax clinics across the state can provide information specific to your situation.

Additional Credits

In addition, you may be eligible for:

- **Higher standard deduction.** If you are legally blind, you may be entitled to a higher standard deduction, which is automatically applied to your tax return. In addition, you may be able to lower your total taxable income for the year by deducting expenses for certain disability-related products and services.
- **Impairment-related work expenses.** This deduction may include costs you paid for a sign language interpreter needed for employment, the costs of a job attendant, or costs for assistive technology.
- **Medical expenditures.** You may be able to deduct costs for home improvements and additions that you needed primarily for medical care.

For more information about any of these credits and to see if you qualify, visit one of the free tax clinics available statewide. To find one near you, see the section *Accessing Free Tax-Preparation Services* on page 6.

Are You Eligible for Additional Services?

To learn more about other resources and services you may be eligible for, ask for additional brochures in this series:

Brochure Name	What It Does
Back to Work	Highlights available work incentives to help you return to work, maximize earned income, and access health insurance coverage.
Your Money, Your Choices	Highlights important information about household budgeting, saving, and building a positive credit history.
Building a Strong Future	Highlights services and programs designed to assist you with reaching your financial goals.

Tax Credits: How Two Families Can Benefit

Here's a look at how two families might benefit from claiming all the tax credits they are eligible for.

The first is a family of four (two adults—one who works—plus two children younger than age 17). In 2009, the working adult made \$17,000 per year. Here is a look at the credits they are eligible for:

Tax Credit	Amount the Family May Receive
Earned Income Tax Credit (EITC)	\$5,020
Child Tax Credit	\$2,000
Total Credit Available	\$7,020

Here's another example. In 2009, this family of four (two working adults plus two children younger than age 17) made \$50,000, spent \$1,000 on qualified education expenses, spent \$5,000 on day-care expenses, and contributed \$1,000 to a qualified retirement plan. Here is a look at the credits they are eligible for:

Tax Credit	Amount the Family May Receive
Earned Income Tax Credit (EITC)	\$ 0
Child Tax Credit	\$2,000
Child and Dependent Care Credit	\$1,000
Retirement Savings Contributions Credit	\$ 100
Education Credit	\$ 200
Total Credit Available	\$3,300

As you can see, even when families do not qualify for the EITC, there are other credits available.

It's important to stress that these are just examples. Your personal situation likely will differ. See one of the volunteers at a free tax clinic for your specific information and eligibility.

Remember: Tax credits do not lower your Medicare, Medicaid, or Supplemental Security Income (SSI) benefits unless you keep the money from your credit in the bank for more than 30 days.

If you have not filed your taxes in recent years, the free tax clinics across the state can help you back file and claim credits for prior years.



Accessing Free Tax-Preparation Services

Preparing your tax return can be a complicated process. But you can get professional help when you visit one of the free Volunteer Income Tax Assistance (VITA) or AARP Tax-Aide clinics near you. All sites are staffed by fully trained volunteers, and your information is completely confidential.

Some clinics require an appointment while others provide their services on a walk-in basis. To find the site nearest to you and learn when volunteers are available, call 211 or visit www.211nh.org.

What to Bring with You

When you're ready to file your taxes, you (and your spouse, if you are married) must go to the clinic in person. Be sure to bring the following papers and documents:

- Original Social Security cards for you, your spouse, and all dependents. (Copies are not allowed.)
- A valid picture ID for you (and your spouse, if married).
- All 1099 tax forms for 2010 that you may have received.
- All W2 tax forms for 2010 that you may have received.
- Year-end documentation of Medicare, Medicaid, or SSI benefits

In addition, if you have any of the following documents, be sure to bring them. They may help you claim a higher credit or deduction:

- Year-end mortgage statement, which shows the amount of interest you paid in 2010.
- Year-end student-loan statement, which shows the amount of interest you paid in 2010.

- Year-end bank statements.
- Year-end Social Security statements.
- Receipts for any work-related expenses.
- Receipts for any medical expenses.
- Receipts for any tuition for educational programs.
- Receipts for any home improvements or additions related to a medical or disabling condition.
- Receipts for any fees you paid for the preparation of your 2009 taxes.
- Any automobile registrations.
- Proof of child-care expenses, as well as the child-care provider's Social Security Number or the child-care center's tax identification number.
- Proof of any real-estate taxes you paid.
- Proof of any safety-deposit box expenses you paid.
- Proof of charitable donations.

If you have questions about the documents you have or need, contact the clinic nearest you.



CLAIMING YOUR TAX CREDIT: WHAT YOU NEED TO DO

To ensure you get all the tax credits you're eligible for, simply follow these steps:

Visit www.211nh.org or call toll-free 211 to find free, certified tax help near you.

Gather your year-end documents to bring to the tax clinic.

STEP 1

STEP 2



You're Not in It Alone

In addition to the free tax-preparation services, you can take advantage of a number of resources that can help you understand the process and other benefits you may be eligible for.

- **GSIL Work Incentives Coordinators**
www.gsil.org/employment.htm
Granite State Independent Living provides employment and independent-living services such as vocational rehabilitation; work planning and assistance; youth services; and access to staffing services.
- **Internal Revenue Service**
www.irs.gov, 1-800-829-1040
The IRS's website contains a wealth of information. To find more details about a tax credit, enter the credit's name in the search function at the top of the homepage.
- **Taxpayer Advocate**
www.irs.gov/advocate, 1-877-777-4778
As an independent organization within the IRS, the Taxpayer Advocate helps taxpayers resolve problems with the IRS and recommends changes that will prevent the problems.
- **Institute on Disability/UCED**
www.iod.unh.edu, 228-2084
The IOD advances policies and systems changes, promising practices, education, and research that strengthen communities and ensure full access, equal opportunities, and participation for all persons.

Attend a free tax clinic to see what tax credits you may be eligible for.

Have taxes prepared for free.

STEP 3

STEP 4



This product was developed in collaboration with multiple organizations and funders, including the Law, Health Policy & Disability Center, University of Iowa, College of Law, the Center for Economic Development and Disability, Southern New Hampshire, University and the National Disability Institute funded by a grant from the U.S. Department of Education, National Institute on Disability and Rehabilitation Research, Grant No. #H133AO3173 (CDEA No. 84.133A); the University of New Hampshire Institute on Disability funded by a grant from the U.S. Department of Health and Human Services, Centers of Medicare and Medicaid Services, Grant No. 11-P-92489/1-01 (CDEA No. 93.779); and the Administration on Developmental Disabilities No. 90DD0618 (CDEA No. 93.632); and with generous support from the Jessie B. Cox Charitable Trust.

The opinions expressed herein do not necessarily reflect the position or policy of the U.S. Department of Education, the U.S. Department of Health and Human Services, or the Jessie B. Cox Charitable Trust. Nor does mention of trade names or organizations imply the endorsement of any of the named organizations.

For more information, contact

Tobey Partch-Davies
Institute on Disability/UCED
56 Old Suncook Road, Suite 2
Concord, NH 03301

tel/ttd: 603-228-2084 or
1-800-238-2048 (NH Only)

fax: 603-228-3270

www.iod.unh.edu
<http://www.iod.unh.edu>

This document is available in alternative formats upon request.

Copyright ©2010 Institute on Disability. University of New Hampshire.