

THE EARNED INCOME TAX CREDIT

April 2022

www.hitaxfairness.org

GET A BIGGER REFUND NOW WITH EITC

WHAT IS IT?

The Earned Income Tax Credit (EITC) is a special credit for working families that allows them to keep more of what they earn at tax time. If you qualify, it means you get a bigger refund and more to spend on the things your family needs.

WHO QUALIFIES?

To get the credit, you need to have worked in the last year and file your federal and state taxes by April 15. If you meet certain income and family size requirements, you could be eligible for a larger refund. See **Table 1** for income qualifications by family size.

Table 1. EITC Income Qualifications, Tax Year 2021 (Current Year)

Number of Children or Relatives Claimed as Dependents	Maximum Adjusted Gross Income* If Filing Single, Head of Household or Married Filing Separately	Maximum Adjusted Gross Income If Married Filing Jointly
0	\$21,430	\$27,380
1	\$42,158	\$48,108
2	\$47,915	\$53,865
3	\$51,464	\$57,414

Source: irs.gov

HOW MUCH CAN I GET?

The larger your family size is, the more you could be eligible for. See **Table 2** for maximum credit amounts you can qualify for depending on family size. Note: Actual credit amounts vary by income. Consult your tax preparer or tax software program for exact amount for which you qualify.

Table 2. Maximum Credit Amounts by Family Size, Tax Year 2021

Number of Qualifying Children	0	1	2	3+
Maximum Credit Amount	\$1,502	\$3,618	\$5,980	\$6,728

DOES HAWAI'I HAVE ITS OWN EITC?

Yes! In 2017, the state of Hawai'i created its own tax credit for working families that works along with the federal credit. Hawai'i's current credit is different from the federal government's in that it only reduces the amount you owe, but cannot increase the size of your refund.

Unfortunately, the state's tax credit is also set to expire in December 2022, making this the last year it can be claimed. If we don't take action now, we could see an increase in taxes for many of Hawai'i's workers. We also have a historic opportunity to make Hawai'i's credit work like the federal credit, so that it gives bigger tax refunds to our state's working families by making it fully refundable. Flip this sheet over and scan the **QR code** on the back to take fast and easy action to help expand this important program.

^{*} Adjusted Gross Income is defined as your wages and any other income, minus adjustments like educator expenses, student loan interest, alimony payments, or contributions to a retirement account.



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TAKE ACTION NOW!

We need to tell our state representatives and senators to make Hawai'i's Earned Income Tax Credit permanent and fully refundable! Doing so would mean more money for Hawai'i's hard working people who are the backbone of our local economy. Scan the **QR Code** to the right for a quick and easy way to take action.



How to use:

- 1. Open the camera app on your smart phone.
- 2. Point your camera at the QR code to scan it.
- 3. Tap the pop-up banner link.