

TAX INFORMATION FOR INDIVIDUALS

YOU CAN FILE ON YOUR OWN USING PAPER TAX FORMS.

The basic federal income tax form for individuals and married couples is IRS Form 1040. Visit <http://www.irs.gov/pub/irs-pdf/f1040.pdf> for the form. There are simpler forms, but they don't allow you to file for the various tax refunds and credits you might deserve.

The basic New York State and New York City combined income tax form for individuals and married couples is Form IT-201. Visit http://www.tax.ny.gov/pdf/current_forms/it/it201_fill_in.pdf

YOU MAY ALSO FILE FOR FREE ONLINE.

Go to tax.ny.gov/pit/efile

**OR,
TO BE CERTAIN YOU GET THE TAX CREDITS AND REFUNDS
DUE YOU, FILE AT A FREE TAX PREPARATION ASSISTANCE
SITE. THIS MAY HAVE TO BE DONE OVER THE PHONE OR
ONLINE, BECAUSE OF COVID.**

WE STRONGLY RECOMMEND THIS, AS THEY KNOW THE TAX CREDITS FOR WHICH MANY PEOPLE ARE ELIGIBLE.

Volunteer Income Tax Assistance (VITA) sites staffed with IRS-trained volunteers offer free tax return preparation assistance for low-income taxpayers. You are eligible if you have children and earn under \$54,000 a year or do not have children and earn under \$30,000 a year. Do NOT go to an IRS site, as they will not do your NYS and NYC tax forms.

To find a free tax preparation site near you:

- <https://secure.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>
- Call 888-227-7669 (AARP, which staffs many of the VITA sites)

DOCUMENTS NEEDED FOR THE TAX PREPARER, OR TO COPY AND ATTACH TO YOUR TAX FORM IF YOU DO IT YOURSELF

- Photo ID
- Social security cards or ITIN documentation for all family members
- W-2's and 1099's for all jobs held during the year for which you are filing
- Documentation for other income (Unemployment Insurance, Temporary Assistance, Supplemental Security Income, Social Security Disability payments, child support, etc.)
- Copy of the most recent year's tax returns, if you filed in the past
- If married couple is filing jointly (and you must to receive several of the Tax Credits described below), bring documents for both members of the couple
- For direct deposit of refund, bring a voided check

TO CHECK STATUS OF INDIVIDUAL TAX REFUNDS AFTER FILING

- For Federal tax refunds status (and other information, too), visit <https://www.irs.gov> or call **800-829-1040**.
- For NYS tax refund status (and other information, too), call **518-457-5181**.

DESCRIPTION OF INDIVIDUAL TAX CREDITS

Child and Dependent Care Tax Credit (CDCC)

Child Tax Credit (CTC)

Earned Income Tax Credit (EITC)

WHAT ARE THESE TAX CREDITS?

- Child and Dependent Care Tax Credit (CDCC) - Federal and NYS/NYC tax credit for families that spend money on care for children or dependent family members
- Child Tax Credit (CTC) - Federal and NYS tax credit for families with children
- Earned Income Tax Credit (EITC) - Federal and NYS/NYC tax credit for low income workers

1. CHILD AND DEPENDENT CARE TAX CREDIT (CDCC)

If they meet the following criterion, taxpayers who paid someone else to care for a child or other dependent may qualify for the Federal, NYS, and NYC Child and Dependent Care Credits:

- The taxpayer, or his/her spouse, has earned income
- A married couple, filing a joint tax return — it must be Form 1040
- The taxpayer pays child/dependent care expenses so that they can work or look for work
- The taxpayer claims the credit for a “qualifying person” who lived with them for more than half the year and is one of the following
 - dependent who was under the age of 13 when care was provided
 - spouse who is mentally or physically not able to care for themself
 - a person who was physically or mentally not able to care for himself or herself and is the taxpayer’s dependent

The taxpayer must provide the taxpayer identification number (Social Security number or ITIN) of the qualifying person needing the care. They must also provide the name, address, and taxpayer identification number of the care provider. Use Form W-10 to request this information from the care provider.

Visit the following websites for good details and access to forms:

Federal <https://www.irs.gov/pub/irs-pdf/p503.pdf>

NYS https://www.tax.ny.gov/pit/credits/child_and_dependent_care_credit.htm

NYC https://www.tax.ny.gov/pit/credits/new_york_city_credits.htm#nyc_household

2. CHILD TAX CREDIT (CTC) AND EMPIRE STATE CHILD CREDIT

If they meet the following criteria, taxpayers who have a minor child may qualify for the Federal Child Tax Credit and the Empire State Child Credit

- If a married couple, then they file a joint tax return, and it must be Form 1040
- Taxpayer must have a Social Security number or ITIN
- Have qualifying children who are all of the following:
 - under age 17 at the end of the tax year and claimed by the taxpayer as dependents
 - U.S. citizens, U.S. nationals, or U.S resident aliens
 - living with the taxpayer in the U.S. for more than half of the year
 - in one of the following relationships to the taxpayer: natural children, adopted children, stepchildren, foster children or the taxpayer’s younger siblings or step-siblings
 - for Empire State Child Credit only, qualifying children must be at least 4 years old

Visit the following websites for good details and access to forms:

Federal <https://www.irs.gov/pub/irs-pdf/p972.pdf>

NYS https://www.tax.ny.gov/pdf/current_forms/it/it213_fill_in.pdf

3. EARNED INCOME TAX CREDIT (EITC)

If they meet the following criteria, taxpayers who have a minor child may qualify for the Federal Earned Income Tax Credit, the NYS, and the NYC Earned Income Tax Credit

- If a married couple, then they file a joint tax return, and it must be Form 1040
- The taxpayer worked full or part-time at some point in 2021 and earned a salary
- The taxpayer's adjusted gross income cannot be more than the limit (\$15,820-56,844 in 2020, depending upon marital status and number of children)
- Taxpayer must have a Social Security number (ITIN's not accepted for the Earned Income Tax Credit). Children must also have a SS #; otherwise you can't claim that child in computations.
- The taxpayer cannot be claimed as a qualifying child on someone else's tax return
- The taxpayer's interest or dividend income from investments must be \$3,650 or less

Visit the following websites for good details and access to forms:

Federal: <http://www.irs.gov/pub/irs-pdf/p596.pdf>

NYS and NYC, on one form: https://www.tax.ny.gov/pdf/current_forms/it/it215_fill_in.pdf

For a very rough tool to check that you are eligible and to estimate how much EITC you might receive, visit <http://www.eitcoutreach.org/help/> Do not depend on it.

COVID-RELATED ADDITIONAL TAX CREDITS FOR 2021'S TAX FILING

The American Rescue Plan of March, 2021 expanded both the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCC) to allow more families to access relief through these tax credit programs. Their continuation past January 2022 is part of the Build Back Better Act, which as of January 1, 2022 is stalled in the U.S Senate.

The Child Tax Credit (CTC) already provided a tax credit to families with children under the age of 18. Under the American Rescue Plan, the credit amount increased from \$2,000 for all children to \$3,600 for children under age 6, and \$3,000 for other children under age 18. The income eligibility for this was also expanded, as to the lowest income allowance AND the upper income limit. For information, visit

<https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>

The Child and Dependent Care Tax Credit (CDCC) is a different tax credit program from the Child Tax Credit (CTC). CDCC already provided relief to families who have work-related expenses to care for a child under 13 or other qualifying person. Under the American Rescue Plan, for tax year 2021 (filed in 2022), there is an increase in the percentage of work-related expenses eligible for the Credit. The income limit to qualify for the Credit is raised. The cap on qualifying expenses is raised. For information, visit

<https://www.irs.gov/newsroom/child-and-dependent-care-credit-faqs>

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FOR PROBLEMS GETTING THESE TAX CREDITS

Call the Taxpayer Advocate Service, an organization within the IRS that helps taxpayers who need help resolving tax problems.

Call **877-777-4778** or visit <https://taxpayeradvocate.irs.gov/>

HOW TAX CREDITS AND REFUNDS ARE COUNTED THE NEXT YEAR IN YOUR INCOME TAXES AS INCOME OR AS ASSETS

In general, tax refunds or credits, either federal, NYS, or NYC, are not deemed INCOME for government benefits. The various public benefits differ as to how they treat tax refunds and credits that one puts in the bank as a RESOURCE.

TAX REFUNDS OR CREDITS DO NOT COUNT AS INCOME

1. The IRS states clearly that refunds of federal income taxes do not count as “income.”
2. NYS tax law states that a person’s “income” for NYS or NYC tax refunds is the same as for the IRS, i.e., income tax refunds do not count in computing it.

For a good source of information, visit

http://onlineresources.wnyc.net/nychra/docs/pd_13-03-eli.pdf , pages 9&10

Tax information phone #'s:

IRS, i.e., federal tax department: **800-829-1040**

NYS tax department **518-457-5181**

TAX REFUNDS OR CREDITS SOMETIMES COUNT AS ASSETS/RESOURCES

The various public benefits differ as to how they treat tax refunds that one puts in the bank. The refund money for all benefits must be “identifiable.” An idea as to how to keep it “identifiable” is to open a checking or savings account that is called “John Doe, Tax Refund Money,” John Doe being the client’s name. Even if the refund money is “identifiable,” some benefits will start counting it against the client’s eligibility for benefits after 9 months or 12 months. See chart below.

BENEFIT	TAX REFUND COUNTED AS INCOME?	TAX REFUND COUNTED AS ASSETS?
Food Stamps (SNAP)	The Earned Income Tax Credit (EITC) and other tax refunds and credits do not count as income.	Most people no longer have to pass a resource test to be eligible for Food Stamps. If a person does have a resource test, the tax refund money in the bank, even if it is “identifiable,” starts to count against Food Stamp eligibility after 12 months.
Medicaid/ Family Health +	The EITC and other tax refunds and credits do not count as income.	Medicaid for applicants not disabled, blind or elderly no longer has a resource limit, so tax refunds don’t affect eligibility. For disabled, blind, or elderly applicants, for whom there is a resource limit, tax refund money in the bank, even if “identifiable,” starts to count against Medicaid or Family Health + after 12 months.
Child Health +	The EITC and other tax refunds do not count as income.	Child Health + has no resource limits, so tax refunds do not affect eligibility.
Temporary Assistance (Welfare)	The EITC and other tax refunds do not count as income.	Tax refund money in the bank, even if it is “identifiable,” starts to count against Temporary Assistance eligibility after 12 months.
Public Housing & Section 8	The EITC and other tax refunds do not count as income for determining initial income eligibility or tenant rent.	There is no asset limit for Public Housing or Section 8. If tax refund money is deposited into a bank account, the interest it earns counts as income for determining rent.
Supplemental Security Income (SSI)	The EITC and other tax refunds do not count as income.	Tax refund money in the bank, even if it is “identifiable,” starts to count against Supplemental Security Income eligibility after 9 months.