

Governor Quinn Encourages Working Families to Apply for Earned Income Tax Credit

Written by Erin Wilson

Tuesday, 19 February 2013 13:15

Newly-Doubled Tax Credit Puts More Money in the Pockets of Working Families

CHICAGO – February 16, 2013. Governor Pat Quinn today encouraged working families across Illinois to learn about how they can apply for newly-expanded tax relief and highlighted no-cost tax preparation services they should take advantage of. The governor continued his drive to get the word out about Illinois' newly expanded Earned Income Tax Credit (EITC) at Truman College, which serves as a tax assistance center organized by the Center for Economic Progress (CEP).

Governor Quinn fought for and signed legislation in 2012 that doubles the state Earned Income Tax Credit (EITC) over the next two years, which is expected to save working families an extra \$105 million a year. The same legislation also benefits all taxpayers by improving the value of the personal exemption by indexing it to inflation. Today's event is part of the governor's effort to drive economic growth and support working families across Illinois.

"Empowering working families is essential to growing the Illinois economy," Governor Quinn said. "We want to make sure to get the word out about how eligible people can apply for the tax relief they deserve."

The EITC is uniquely pro-growth and pro-family. Available only to workers who are earning income, this tax credit provides incentive to work as well as much-needed tax relief to the lowest-income families. The EITC also generates local economic growth by increasing consumer spending. A 2006 Brookings Institution study found that every dollar a family saves through this tax credit translates into \$1.58 of activity in local economies and can help businesses avoid layoffs, hire employees and pave the way for future growth.

The law also improves the value of the standard personal exemption for all taxpayers in Illinois and ties its continued growth to the rate of inflation. The personal exemption will increase by \$50 (to \$2,050) in tax year 2012, and the value of the exemption will be indexed to the cost of living adjustment each tax year thereafter. The personal exemption change benefits all taxpayers, regardless of income.

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Governor Quinn launched EITC.illinois.gov last month to help more eligible families receive tax relief and take advantage of tax preparation assistance.

How to Benefit from the Earned Income Tax Credit (EITC)

To benefit from Illinois' EITC, also known as the Earned Income Credit (EIC), taxpayers must include it on their tax returns. The not-for-profit Center for Economic Progress (CEP) estimates that between 10 and 20 percent of eligible taxpayers did not file for EITC last year.

To help working families achieve the maximum savings on their taxes, the Illinois Department of Human Services (DHS) partners with the Center for Economic Tax Counseling Project to provide free tax preparation assistance at tax assistance centers across the state. The services are provided free of charge to families making less than \$50,000 annually and to individuals with yearly incomes under \$25,000. More than 25,000 Illinois taxpayers filed returns through the program in the 2011 tax season, with more than \$45 million in state and federal tax refunds returned to clients.

DHS also funds the Tax Assistance Program (TAP) which has nearly 20 locations in Chicago and the suburbs. TAP recruits tax professionals to volunteer to assist low-income families. DHS also works with its clients and those who found jobs and have left DHS programs to educate them about tax preparation programs and ways to ensure they receive the maximum refund on their tax returns.

A list of locations across the state that offer free tax assistance to eligible individuals is attached.

For more information on the Tax Counseling Project, contact the Center for Economic Progress in Chicago at [312-630-0273](tel:312-630-0273), or call the toll-free statewide number at [888-827-8511](tel:888-827-8511). For information on the Tax Assistance Program call

[312-409-1555](tel:312-409-1555)

or

[312-409-4318](tel:312-409-4318)

(Spanish). Details are also available on the DHS website at

www.dhs.state.il.us

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and the Department of Revenue website at

www.revenue.state.il.us

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Information about filing federal taxes online can be found at www.irs.gov .

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