

# TRI-STATE DEFENDER



A  
REAL TIMES  
NEWSPAPER

The Mid-South's Best Alternative Newspaper

November 6-10, 2004

Pg. 5B

## BUSINESS & ECONOMICS

### It's Your Money

### It pays to know more about Earned Income Tax Credit.

By Walter Dawson

A big loss of money in our community comes through people not knowing about the Earned Income Tax Credit.

This credit is for low-income workers, and it greatly reduces the federal income tax owed – even better, it results in a refund, for most families.

Last year, the MemphisDEBT Collaborative, in cooperation with United Way of the Mid-South, hosted 16 Volunteer Tax Assistance sites over a three-month period to help low-income communities claim Earned Income Tax Credits.

Nearly 2,300 returns were processed. The average refund amount was \$2,100, resulting in more than \$4.8 million being returned to low-income families in our community.

Also, it is estimated that participating families saved approximately \$460,000 in filing fees by not having to pay someone to help file their taxes.

Our community would be wealthier if more people took advantage of this credit. It's a great way for them to keep more of their hard-earned money and use it for their families.

The Earned Income Tax Credit is easy to obtain if you meet the low-income qualifications. And you don't have to pay a tax preparer to get the credit for you. The IRS will figure it up for you, if you like.

You can qualify for this credit if your family income is:

- \$11,230 (\$12,230 for married filing jointly) if you have no qualifying children, or;
- \$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or;
- \$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child.

**The information in this article should not be a substitute for the advice of a professional.**

*Walter, Dawson, Manager, Publications for First Tennessee, is a member of the MemphisDEBT Collaborative, a group of 150 local nonprofits, governmental agencies, businesses and concerned citizens who are helping Memphians keep the money they earn. For free advice about your finances, you can call the collaborative at 507-6638. Or check out their Web site at [www.memphisdebt.org](http://www.memphisdebt.org).*