

## VITA Services for West Michigan: Fact Sheet

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1. Earned Income Credit (EITC) and Child Tax Credit (CTC)
  - Refundable tax credits for workers; must have earned income to be eligible
  - EITC: Workers with 2011 income up to \$49,078 may be eligible for tax credits; maximum credits range from \$464 to \$5,751
  - CTC: Workers with 2011 income up to \$110,000 may be eligible for tax credit of \$1,000 for each qualifying child
  - EIC can boost workers' incomes as much as 45% (\$8/hour job → \$10+/hour)
  - Workers use refunds to keep working: transportation, childcare, rent and utilities
  - Economic driver: studies show most of the refund dollars are spent locally for goods and services; and each dollar in refunds received generates another \$1.67 in economic activity
  
2. According to IRS data from the 2009 tax season (most recent data available):
  - In Muskegon and two contiguous Counties, almost 23,000 tax returns were filed claiming EITC.
    - Muskegon County: 16,416
    - Newaygo County: 3,762
    - Oceana County: 2,576
  - Total EITC dollars claimed in the three Counties was over \$49.2 million
    - Muskegon County: \$35.8 million
    - Newaygo County: \$7.8 million
    - Oceana County: \$5.6 million
  - Average EITC refund: \$2,165
  - IRS estimates at least 20% of eligible tax filers do not claim EITC. The number who may have missed out:
    - Muskegon County: 4,104
    - Newaygo County: 941
    - Oceana County: 644
    - Multiplying the lowest refund amount for 2009 – or \$457 – times the estimated number who missed out in Muskegon County, means that at least \$1.8 million was not claimed that year.

*\*VITA: Volunteer Income Tax Assistance*