



## COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

**For immediate release**  
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### ***Governor Kaine Recognizes Virginia Earned Income Tax Credit Day*** *-- Nearly 22 percent of eligible households in Virginia don't claim the credit --*

**RICHMOND** – Today, Governor Timothy M. Kaine officially recognizes that February 1, 2007, is Earned Income Tax Credit Kickoff Day in the Commonwealth of Virginia.

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. For tax year 2006, a family with two dependent children that earned \$38,348 may be eligible for a credit of up to \$4,536.

"There are many hard working individuals and families throughout the Commonwealth who are eligible for this program but do not take advantage of it," Governor Kaine said. "In many cases, these individuals either do not know how to apply for the EITC, or perhaps they do not know the program exists."

In 2004, eligible households in Virginia received an average of \$1,767. The Internal Revenue Service estimates that an additional 22 percent of Virginia's low-income households may be eligible; approximately 91,200 to 114,000 households could receive up to \$201,438,000 for tax year 2006.

"To those families or individuals, this cash credit could provide an incentive to get out of debt, start a savings account or perhaps provide a down payment toward a home," said Virginia Department of Social Services (VDSS) Commissioner Anthony Conyers Jr.

"Non-profit and voluntary organizations throughout the Commonwealth are offering free assistance to those who need help filing the appropriate forms," Conyers said.

The EITC is considered a "refundable" credit, which means that eligible filers receive a refund check even if they were not required to pay any federal income tax. In some cases, this refund amounts to as much as a 40% pay increase for a family, making the EITC one of the most successful anti-poverty programs in the nation.

Virginia's low-income working families and individuals are missing out on millions of dollars annually in federal income tax refunds. To qualify, earned income and adjusted gross income (AGI) must each be less than:

- \$36,348 (\$38,348 married filing jointly) with two or more qualifying children;
- \$32,001 (\$34,001 married filing jointly) with one qualifying child;
- \$12,120 (\$14,120 married filing jointly) with no qualifying children.

Tax year 2006 maximum credit is as follows:

- \$4,536 with two or more qualifying children;
- \$2,747 with one qualifying child;
- \$412 with no qualifying children.

The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments.

The [EITC Assistant](#) is an eligibility screening tool and is available in English and Spanish.

For forms, publications, brochures and other EITC related materials visit the [Internal Revenue Service's website](#) for downloadable information.

The U.S. Conference of Mayors reports that each year the EITC lifts 4.9 million people – including 2.7 million children – above the poverty line. Additionally, the IRS estimates that every EITC dollar received puts up to \$3 back into local communities.

For more information about participating in this initiative, contact Peggy Friedenber, EITC Project Coordinator with VDSS at (804) 726-7371, [margaret.friedenberg@dss.virginia.gov](mailto:margaret.friedenberg@dss.virginia.gov).

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