

# Tax Tips

◆ You have until April 18, 2011, or, if you file for an extension by June 15, 2011, until October 15, 2011, to file your 2010 taxes.

## Beware of Refund Anticipation Loans (RAL's), aka Fast Cash Refunds, Express Refunds and Instant Refunds

Refund Anticipation Loans (RAL's) are expensive, not much faster and possibly risky!

- RAL's are short-term **loans** with high interest rates (from 40% to **700%** APR);
- RAL's arrive only about a week earlier than IRS refunds;
- RAL's are risky because if the IRS denies your tax refund, you still have to pay back the full amount of the loan plus interest!

## Claim the Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) is a federal income tax credit for low-income working individuals and families. To qualify, taxpayers and children claimed must have valid Social Security numbers and have lived in the U.S. for at least six months in 2010. To claim the EITC, taxpayers must file a tax return.

You may be eligible for the EITC if your income in 2010 was less than:

- \$43,352 (48,362 married filing jointly) with three or more qualifying children
- \$40,363 (\$45,373 married filing jointly) with two qualifying children

- \$35,535 (\$40,545 married filing jointly) with one qualifying child
- \$13,460 (\$18,470 married filing jointly) with no qualifying children

Also, your investment income must be \$3,100 or less for the year. EITC varies from \$457 to \$5,666, depending on income and family size. If you're eligible for the EITC and it exceeds the amount of taxes owed, it results in a tax refund to those who file a tax return.

## Don't Spend Money To Do Your Taxes!

**Free Tax Preparation And Filing Services Are Available:**

**Volunteer Income Tax Assistance Program (VITA)** offers **free** tax filing services for low-income people. To locate the nearest VITA site, call 1-877-211-9274 or 211.

**Tax Counseling for the Elderly** provides **free** tax help to people age 60 and older. To locate the nearest site, call 1-888-227-7669, or visit the AARP website at [www.aarp.org](http://www.aarp.org).

Also, you can file your taxes online for **free** at [www.irs.gov](http://www.irs.gov) (using the free file program) or ICAN at [www.icanefile.org](http://www.icanefile.org). Your local library and Employment Security Office (WorkSource) offers free internet access.

◆ Remember, if you file for an extension by June 15, 2011, you have until **OCTOBER 15, 2011** to file your 2011 taxes!

0904EN

**This publication provides general information concerning your rights and responsibilities. It is not intended as a substitute for specific legal advice. This information is current as of the date of its printing, December 2010.**

© 2010 Northwest Justice Project — 1-888-201-1014

(Permission for copying and distribution granted to the Alliance for Equal Justice and to individuals for non-commercial purposes only.)