

# ADVANCE EARNED INCOME TAX CREDIT

This is a special tax benefit for lower income workers. Not all who qualify for the **EITC** (Earned Income Tax Credit) will qualify for the Advance **EITC**.

Advance **EITC** offers extra help year-round in meeting day-to-day expenses. A qualified worker can get payments in advance—each payday—rather than waiting until tax time to claim the credit.

As an employer, you can help us inform your employees of this opportunity.



Department of the Treasury  
Internal Revenue Service

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*Working to put service first*

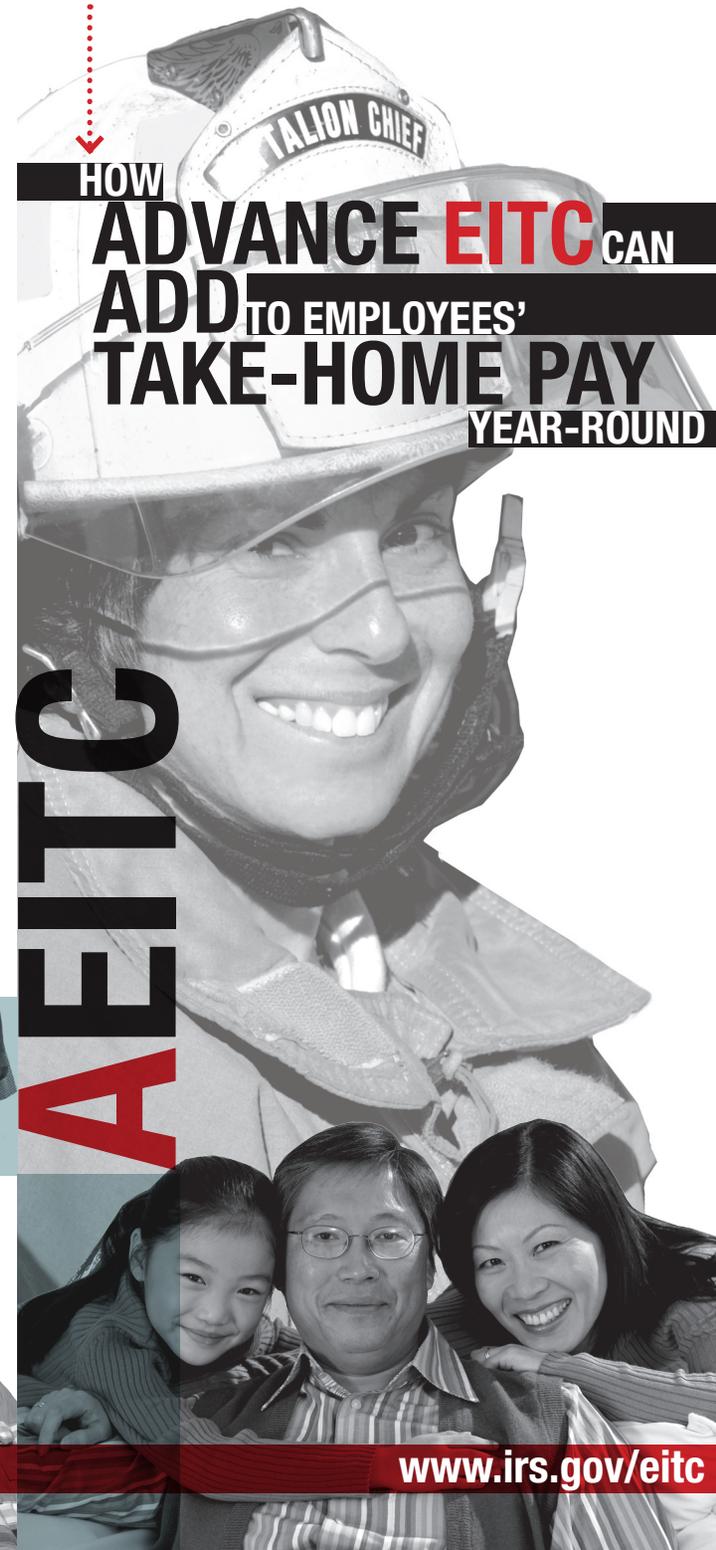
If you have further questions about Advance **EITC**, call the IRS at 1-800-829-1040.

**ADVANCE EARNED INCOME TAX CREDIT**

HOW

**ADVANCE EITC** CAN  
ADD TO EMPLOYEES'  
TAKE-HOME PAY  
YEAR-ROUND

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[www.irs.gov/eitc](http://www.irs.gov/eitc)

## Who qualifies for Advance **EITC**?

Wage earners who earn less than a stated amount, and who have at least one child living with them, may qualify. For complete qualifications, see Form W-5, *Earned Income Credit Advance Payment Certificate*.

The qualified employee simply completes Form W-5 and gives it to you.

## Do not use your own funds to make Advance **EITC** payments

Refer to the Form W-5 and the tables shown in Pub 15, *Employer's Tax Guide (Circular E)*, to compute the correct addition to the employee's take-home pay for the payroll periods. Pub 15 will specify the maximum limit each year.

Remember to reduce your required federal employment tax deposit by the amount of any Advance **EITC** payments you make to eligible employees.

## What's the difference between **EITC** and Advance **EITC**?

- » Earned Income Tax Credit (**EITC**) is a credit an eligible worker can claim when he or she files the federal income tax return. It can mean paying less tax—no tax—or even getting a refund.
- » Advance Earned Income Tax Credit (Advance **EITC**) is the portion of the **EITC** that qualified workers may be able to receive in advance payments, added to wages throughout the year. They may be able to claim a larger credit (**EITC**) when they file their tax returns.

## Assistance from the IRS

Your local IRS **EITC** coordinator may be able to provide speakers to talk to your employees about the Advance **EITC** and to help them fill out Form W-5. Look in your local telephone directory for the IRS office nearest you.

## Free informative material on Advance **EITC**

To tell your employees about Advance **EITC**, order these IRS publications, available in English and Spanish (SP). Phone the IRS at 1-800-829-3676.

- » Pub 1235 a self mailer in English and Spanish which includes Form W-5, *Advance **EITC** Employee Brochure*.
- » Pub 1759 (ENG/SP), *Advance **EITC** Poster 8.5" x 11"*.
- » Pub 1762 (ENG/SP), *Advance **EITC** Stuffer*, to include in mailouts or with paychecks.

## Assistance from the IRS

- » Call the IRS at **1-800-829-3676** to order free forms and publications, or visit your local IRS office.
- » Form W-5, *Earned Income Credit Advance Payment Certificate*.
- » Pub 15, *Employer's Tax Guide (Circular E)*.
- » Pub 596, *Earned Income Credit*.
- » Pub 910, *Guide to Free Tax Services*.
- » **Internet:** IRS forms with instructions, tax publications, and other tax materials may be downloaded at our Web site: [www.irs.gov](http://www.irs.gov).
- » **TeleTax service:** call **1-800-829-4477** for recorded tax information.



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