

## Appendix B:

### Earned Income Tax Credit and Federal Poverty Information

The Earned Income Tax Credit (EITC) eligibility and Federal poverty information are both useful in determining whether a person is eligible to participate in an AFI Project. Eligibility for AFI may be calculated, in part, using either applicants' eligibility for TANF *or* one of two other measures: their eligibility for the Earned Income Tax Credit program or their annual income in relation to the Federal poverty line. If using the poverty figures or EITC thresholds, you must *also* take into account the limit on assets, which cannot exceed \$10,000 (excluding a residence and one car per household). The following tables provide income eligibility figures for the EITC program and the Federal Poverty line.

#### EITC Income Guides

Income and family size determine the amount of the Federal Earned Income Tax Credit an individual or family may receive. For tax year 2007, filing in 2008, to qualify for the credit, a person's or family's investment income must be \$2,900 or less. In addition, both earned income and adjusted gross income for 2007 must be more than \$1 but no more than the amounts listed for each category in the table below.

<b>Income Caps for Earned Income Tax Credit, Tax Year 2007</b>		
<b>Families With the Following Number of Qualifying Children</b>	<b>Family Head Filing Individually</b>	<b>Married Filing Jointly</b>
0	\$12,590	\$14,590
1 child	\$33,241	\$35,241
2 or more children	\$37,783	\$39,783

The Internal Revenue Service adjusts the EITC income caps annually. For more information about the EITC, go to the AFI Asset-Building Web site: <http://www.acf.hhs.gov/assetbuilding> for links to the IRS posting and to IRS information on EITC.

## Federal Poverty Information

Poverty figures used to determine eligibility for AFI vary by family size and, in some cases, by State. Current guidelines are found by going to the AFI Asset-Building Web site at <http://www.acf.hhs.gov/assetbuilding>.

<b>Federal Poverty Lines for 2007*</b>			
<b>Persons in Family Unit</b>	<b>48 Contiguous States and D.C.</b>	<b>Alaska</b>	<b>Hawaii</b>
1	\$10,210	\$12,770	\$11,750
2	\$13,690	\$17,120	\$15,750
3	\$17,170	\$21,470	\$19,750
4	\$20,650	\$25,820	\$23,750
5	\$24,130	\$30,170	\$27,750
6	\$27,610	\$34,520	\$31,750
7	\$31,090	\$38,870	\$35,750
8	\$34,570	\$43,220	\$39,750
For each additional person, add	*\$3,480	\$4,350	\$4,000

\* The poverty figures are adjusted annually.