

ACYF Administration on Children, Youth and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Administration for Children and Families	
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**INFORMATION MEMORANDUM**

**TO:** All Early Head Start and Head Start Grantee and Delegate Agencies

**SUBJECT:** Poverty Reduction - Earned Income Tax Credit

**INFORMATION MEMORANDUM:**

The Earned Income Tax Credit (EITC) is a refundable Federal tax credit for eligible individuals and families who have worked and earned income for all or part of a calendar year. EITC is currently available to those individuals and families whose income does not exceed \$29,666 for a taxpayer with one qualifying child (\$30,666 for married couples filing jointly) or \$33,692 for a taxpayer with more than one qualifying child (\$34,692 for married couples filing jointly). The value of the credit varies, depending on family income, but can be as high as \$4,204 annually for a family with two children. There are currently more than four million eligible families who have not applied for Federal EITC, and nearly three billion dollars available in unclaimed credits. Taxpayers can file amended returns to claim any credit due them for up to three previous tax years.

Head Start grantees are encouraged to learn more about EITC and to inform Head Start families about its availability. There are many resources available to assist in promoting tax understanding and awareness, particularly the Internal Revenue Service website [www.irs.gov](http://www.irs.gov) (search for EITC).

To help make Head Start families aware of this important Federal benefit, grantees should explore the following approaches:

- Making fliers available at recruitment efforts, on home visits, in resource centers, in program newsletters, and at parent involvement activities;
- Providing IRS tax publications in a variety of languages and formats;
- Providing staff training on EITC at pre-service and in-service training;
- Incorporating EITC into the family assessment and partnership building process;
- Adding an EITC link to your website;
- Hosting or helping set up a volunteer tax assistance site

EITC could be of considerable assistance to many of your Head Start families. We encourage you to provide families with the information they need to determine whether they might be eligible for this important benefit.

/ Douglas Klafehn /

(for)

Windy M. Hill

Associate Commissioner

Head Start Bureau