



OFFICE OF GOVERNOR PAT QUINN

# NEWS

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## **Governor Quinn Urges Working Families to Apply for Newly-Increased Earned Income Tax Credit**

*Launches [EITC.Illinois.Gov](http://EITC.Illinois.Gov) to Help More People Get More of Their Money Back Through Awareness and Preparation Assistance*

CHICAGO – January 25, 2013. Governor Pat Quinn today was joined by numerous community organizations to celebrate the one-year anniversary of his successful push for major tax relief for working families across Illinois. Governor Quinn fought for and signed legislation in 2012 that doubles the state Earned Income Tax Credit (EITC) over the next two years, which is expected to save working families an extra \$105 million a year. The same legislation also benefits all taxpayers by improving the value of the personal exemption by indexing it to inflation. Today's event is part of the governor's effort to drive economic growth and support working families across Illinois.

"Last year I fought to double the tax relief available for working families in Illinois because it is the best way to fight poverty and grow our economy," Governor Quinn said. "But you cannot benefit from this tax relief unless you apply for it. Taxpayers who may be eligible should visit [EITC.Illinois.gov](http://EITC.Illinois.gov) to learn more and take advantage of tax preparation assistance available."

The governor's efforts last year resulted in the biggest increase in the Illinois EITC since its inception in 2000. It boosted the state EITC from 5 percent of the federal EITC in 2011 to 7.5 percent in 2012. In 2013, it has risen to 10 percent of federal EITC. Almost 2.5 million Illinois residents benefited from the EITC in 2011.

Under the new law, a single mother with one child, earning minimum wage (\$12,800 a year), will save \$154 on her state income taxes for 2012 (\$205 in 2013). A married couple with three children earning \$30,000 a year will save \$199 on their 2012 state income taxes (\$265 in 2013). A married couple with three children and earning just over \$50,000 could be eligible for up to \$5,891 in state and federal tax relief. For more information about how much money taxpayers could save, visit [EITC.Illinois.gov](http://EITC.Illinois.gov).

The EITC is uniquely pro-growth and pro-family. Available only to workers who are earning income, this tax credit provides incentive to work as well as much-needed tax relief to the lowest-income families. The EITC also generates local economic growth by increasing consumer spending. A 2006 Brookings Institution study found that every dollar a family saves through this tax credit translates into \$1.58 of activity in local economies and can help businesses avoid layoffs, hire employees and pave the way for future growth.

### **How to Benefit from the Earned Income Tax Credit (EITC)**

To benefit from Illinois' EITC, also known as the Earned Income Credit (EIC), taxpayers must include it on their tax returns. The not-for-profit Center for Economic Progress (CEP) estimates that between 10 and 20 percent of eligible taxpayers did not file for EITC last year.

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“At the CEP we're excited to serve thousands of Illinois families who will benefit from the expanded state EITC,” said David Marzhal, president of the Center for Economic Progress. “Not only will most of our taxpayers get a bigger state refund, but they'll not pay one cent to get their taxes done by our certified and highly trained volunteers.”

To help working families achieve the maximum savings on their taxes, the Illinois Department of Human Services (DHS) partners with the Center for Economic Tax Counseling Project to provide free tax preparation assistance at tax assistance centers across the state. The services are provided free of charge to families making less than \$50,000 annually and to individuals with yearly incomes under \$25,000. More than 25,000 Illinois taxpayers filed returns through the program in the 2011 tax season, with more than \$45 million in state and federal tax refunds returned to clients.

DHS also funds the Tax Assistance Program (TAP) which has nearly 20 locations in Chicago and the suburbs. TAP recruits tax professionals to volunteer to assist low-income families. DHS also works with its clients and those who found jobs and have left DHS programs to educate them about tax preparation programs and ways to ensure they receive the maximum refund on their tax returns.

For more information on the Tax Counseling Project, contact the Center for Economic Progress in Chicago at 312-630-0273, or call the toll-free statewide number at 888-827-8511. For information on the Tax Assistance Program call 312-409-1555 or 312-409-4318 (Spanish). Details are also available on the DHS website at [www.dhs.state.il.us](http://www.dhs.state.il.us) and the Department of Revenue website at [tax.illinois.gov](http://tax.illinois.gov).

Information about filing federal taxes online can be found at [www.irs.gov](http://www.irs.gov).

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