

California Earned Income Tax Credit

A cash-back credit for working Californians



United Ways of California

What is the CalEITC?

The California Earned Income Tax Credit (CalEITC) is a refundable California state credit that was created by the Governor and Legislature in 2015 as a way to help low-income working families. CalEITC is designed to be a supplement to the federal Earned Income Tax Credit, which has been around for decades. Eligible families and individuals just need to file their tax returns in order to claim CalEITC and federal EITC. Families and individuals may receive hundreds and sometimes thousands of dollars between these two credits.

Who is Eligible?

Eligible workers those who are single, head of household, or married filing jointly. Working families without dependents can still claim the credit if they are age 18 and over, have lived in California at least half of the year, and if the filer, qualifying spouse and children (if applicable) all have valid social security numbers.

What is New in 2019?

As a result of the CalEITC expansion, the upper income limit to qualify for CalEITC increased. A parent with an income of about \$24,950 or less may benefit from the credit if they have one or more qualifying children.

Also as a result of the expansion, now young adult workers aged 18-24 as well as older adult workers 65+ with incomes under \$16,750, are now eligible for the credit as well on their own; without qualifying children.

Key sample messaging for newly eligible populations:

Young adults 18-24

- Are you going to school or trade school? You may be eligible to claim CalEITC.
- Do you want financial independence from your parents? CalEITC may be a solution to boost your savings.
- Are you just starting your career? CalEITC may give you an additional jump-start.
- Are you seeking housing, or transitional housing programs? CalEITC may help
- Need help with school expenses or paying off student loans? CalEITC may help you get started.
- Do you want to buy your first car, but don't have enough for the down payment? CalEITC may give your savings a boost.

- Income tax preparation is easy and quick to file online on your own, or you can get assistance from free tax preparation sites.
- This is a refundable tax credit that goes directly to you.
- CalEITC increases your annual income
- Are your monthly phone payments, rent, car insurance, Netflix, grocery bills all adding up? CalEITC may help you to pay for them.

Older working adults (over 65)

See AARP tax preparer volunteers at your local library, senior center, or find a free tax site near you at www.myfreetaxes.org

- If you are a working older adult, keep more of what you earned with CalEITC.
- Enhance your financial security
- CalEITC can boost your income and it does not affect other public aid
- CalEITC helps working people like you. Remember, you earned this, it is not a handout
- Are you retired, but still working? CalEITC can give a boost to your income this tax season, and it doesn't affect public aid.
- Need help paying for your Medicare Part D? CalEITC may be able to pay half the year's premium for you.
- Want to get a special gift for your family? CalEITC may help you pay for part of their education or establish savings for them, with money on your pocket through a refundable cash-back credit.
- Do you want a break from the food from Meals on Wheels? CalEITC is cash in your pocket that may help you boost your food and meals budget.
- Are you struggling to pay for transportation costs? CalEITC puts money in your pocket to help you to get to where you need to go.
- Wanting to join your local senior center, but the meal, trip, or activity fees are too high? CalEITC may help you afford these expenses with a refundable cash-back credit.
- Has inflation made it difficult for you to afford your basic necessities? CalEITC can help you make ends meet when cost of living is high.

Where can people go to get help on where to claim the credit?

Free online or in-person assistance is available through United Way, you may visit www.myfreetaxes.org to find help near you.