



Informational Letter

Section 1

Table with 2 columns: Field Name and Value. Fields include Transmittal, To, Issuing Division/Office, Date, Subject, Suggested Distribution, Contact Person(s), and Attachments.

Filing References

Table with 6 columns: Previous ADMs/INFs, Releases Cancelled, Dept. Regs., Soc. Serv. Law & Other Legal Ref., Manual Ref., Misc. Ref.

Section 2

I. Purpose

The purpose of this Informational Letter (INF) is to inform social services districts (districts) of changes in the Earned Income Tax Credit (EITC) and to provide districts with a summary of other available federal and State tax credits for Tax Year (TY) 2024.

Districts are encouraged to inform clients and other low-income households of tax credits, the need to file federal and State income tax returns to claim these tax credits, and the

availability of free tax filing services through Volunteer Income Tax Assistance (VITA) sites, Taxpayer Assistance Program (TAP) sites, and free online filing resources.

## II. Background

The EITC represents a significant tax benefit and valuable work support for low to moderate income households with earned income. As in previous years, New York State, New York City and federal EITCs are considered exempt both as income and as a resource for purposes of Public Assistance (PA), Supplemental Nutrition Assistance Program (SNAP) and Home Energy Assistance Program (HEAP) eligibility.

These tax credits are an important anti-poverty tool which can dramatically increase the economic resources available to eligible lower-income workers. Workers who qualify for EITCs and file a New York City, State and federal tax return, can receive tax credits totaling as much \$12,528, while non-New York City taxpayers can receive a maximum tax credit of \$10,179. In addition, households that qualified but failed to previously claim EITCs may file retroactively for up to three prior years.

The program implications of EITC and other tax credits on PA and SNAP are detailed in [GIS 11 TA/DC002](#).

It is estimated that each year up to 20 percent of those eligible for the EITC fail to claim their tax credit, either because they are unaware it is available to them or don't know how to obtain it. OTDA's goal is to reach as many eligible low-income taxpayers as possible.

Target populations should include:

- Those receiving PA, SNAP or HEAP benefits who had paid employment during 2024, particularly newly employed individuals who have little or no previous work experience and may not be familiar with the EITC and other available tax credits;
- Working non-parent relative caregivers who are raising EITC-eligible children in their home;
- Eligible immigrant households that may mistakenly believe they are ineligible for EITCs.

EITCs can significantly increase available income for a low-income wage earner, potentially adding more than one-third to that person's earnings. Therefore, it is important for district staff to discuss the benefits of EITCs and encourage households to file for the EITCs. District staff should also encourage households to take advantage of available [VITA](#) sites for free tax preparation assistance or [TAP](#) sites to complete and file taxes on their own.

## III. Tax Credit Information

### NYC EITC

The maximum tax credits for TY2024 have changed and are as follows:

- Three or more qualifying children \$7,830 (Federal) + \$4,698 (State+ NYC EITC) = \$12,528
- Two qualifying children \$6,960 (Federal) + \$4,176 (State+ NYC EITC) = \$11,136
- One qualifying child \$4,213 (Federal) + \$2,528 (State+ NYC EITC) = \$6,741
- No qualifying children \$632 (Federal) + \$379 (State+ NYC EITC) = \$1,011

## REST OF STATE (ROS) EITC

The maximum tax credits for TY2024 have changed and are as follows:

- Three or more qualifying children: \$7,830 (Federal) + \$2,349 (ROS EITC) = \$10,179
- Two qualifying children: \$6,960 (Federal) + \$2,088 (ROS EITC) = \$9,048
- One qualifying child: \$4,213 (Federal) + \$1,264 (ROS EITC) = \$5,477
- No qualifying children: \$632 (Federal) + \$190 (ROS EITC) = \$822

### **The qualifying earned and adjusted gross income limits for EITCs have increased and are as follows for both NYC and ROS:**

- Three or more qualifying children: \$59,899 (or \$66,819 if married filing jointly)
- Two qualifying children: \$55,768 (or \$62,688 if married filing jointly)
- One qualifying child: \$49,084 (or \$56,004 if married filing jointly)
- No qualifying children: \$18,591 (or \$25,511 if married filing jointly).

**Please note:** The tax filer's investment income cannot exceed \$11,600 for TY2024.

## NYC EITC

New York City full-year and part-year residents who claim the federal EITC may also be eligible for the NYC EITC. A New York State income tax Form IT-215 must be completed and attached to the State income tax return to claim the State and City tax credit.

## NONCUSTODIAL PARENT (NCP) NEW YORK STATE EARNED INCOME CREDIT (EIC)

New York State has a tax credit specifically available as an economic support for low-income noncustodial parents who are at least 18 years old. This refundable tax credit can supplement the earnings of qualified NCPs. A State Form IT-209 Claim for Noncustodial Parent New York State Earned Income Credit must be filed with Form IT-201 to claim the NCP EIC. The NCP does not need to provide proof of eligibility. This will be done automatically by OTDA.

To qualify, an NCP must be a full-year New York resident taxpayer; have a child support order payable through a New York State Child Support Collection Unit (SCU) for at least one-half of the tax year; have income of less than \$49,084 and have paid 100% of the current child support obligation due for any tax year in which the NCP EIC is claimed.

Further detail on the NCP EIC may be found in [06-ADM-12-T](#) or by visiting: [Noncustodial parent earned income credit](#).

## EITC AND NON-PARENT CAREGIVER CASES

Non-Parent Caregiver cases are a significant portion of a district's PA caseload. Of these, many are non-parent caregiver cases in which the payee is a grandparent or other relative,

who is not receiving PA and who has earned income. It is important to note that the children in these cases may meet the definition of “qualified child(ren)” for EITC. OTDA strongly suggests that in cases where the payee has earned income, an effort be made by the district to make these payees aware of potential EITCs and refer them to the Internal Revenue Service (IRS) website or to a local VITA site where available.

## OTHER AVAILABLE TAX CREDITS

There are a number of other federal and New York State tax credits for which families and individuals may qualify this tax season. These include:

- **Federal Child Tax Credit & Additional Child Tax Credit:** Non-refundable credits for each qualifying dependent child who is under the age of 17 at the end of 2024 and is used to reduce the amount of tax liability.
- **Empire State Child Credit:** Credit for children up to 17 years old that families can claim in addition to the federal Child Tax Credit.
- **Federal, State, and New York City Child Dependent Care Credits:** Tax benefits that helps a qualifying working family pay for childcare or the care of a spouse or adult dependent that is incapable of caring for themselves.
- **American Opportunity Credit:** An education expense credit that can be applied to the first four years of postsecondary education.
- **Lifetime Learning Credit:** This nonrefundable credit is available to students at any point in postsecondary education and for courses to acquire or improve job skills.
- **New York State College Tuition Credit or Itemized Deduction:** New York State tax credit for qualified tuition expenses for the undergraduate enrollment or attendance of the student at an institution of higher education.

For more information on applying for each of these tax credits, visit:

<https://otda.ny.gov/workingfamilies/taxcredits.asp> or  
[https://www.tax.ny.gov/pit/credits/income\\_tax\\_credits.htm](https://www.tax.ny.gov/pit/credits/income_tax_credits.htm).

## CLAIMING TAX CREDITS FOR PREVIOUS YEARS

Taxpayers who were eligible for but did not claim federal tax credits for the previous three years (TY 2021, 2022 and 2023) can claim them by completing Form 1040X: Amended U.S. Individual Income Tax Return. If a federal return was not filed, the taxpayer will need to file their taxes using the appropriate forms for that year. Some VITA sites may be able to complete the amendment for the taxpayer. The taxpayer should check with their local VITA site.

**Please note:** Taxpayers who obtain a Social Security number after the tax year are not able to claim EITC for prior years.

New York State tax credits likewise can be claimed for the previous three years by filing the Form IT-201X. Taxpayers must attach a copy of every attachment (including any New York State credit form) that was submitted with their original return to their amended return, even if it has not changed as a result of the amendment. For the EITC, taxpayers need to complete and submit the IT-215: Claim for Earned Income Credit for the appropriate year.

If a New York State tax return was not filed for the given year, it must be filed at the same time using IT-201: Resident Income Tax return.

## **FREE TAX PREPARATION, E-FILING AND TAXPAYER ASSISTANCE**

**VITA:** Many taxpayers can complete and e-file their taxes for free at local Volunteer Income Tax Assistance (VITA) sites. These sites offer tax help for low- and moderate-income individuals and families, persons with disabilities, and limited English-speaking taxpayers. For more information and to find a local VITA site, go to the IRS website at: <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers> or call the IRS Hotline for VITA at (800) 906-9887. OTDA recommends that district staff know where VITA sites are located in their county and offer this information when encouraging families to apply for the EITC and other credits.

**TAP:** The New York State Department of Taxation and Finance provides software, guidance and step-by-step filing assistance to eligible taxpayers through the TAP. Qualifying taxpayers complete and e-file federal and NYS taxes at no charge. More information is available at: <https://www.tax.ny.gov/tap/>.

**Taxpayer Assistance:** Individuals may obtain specific federal tax information on the IRS Website at: <https://www.irs.gov> or by calling the IRS toll free at (800) 829-1040. New York State taxpayer assistance is available online at: <https://www.tax.ny.gov> or by calling the Department of Taxation and Finance at (518) 457-5181.

## **OUTREACH AND PROMOTIONAL MATERIALS**

The attached Library Poster will be displayed in libraries and other distribution points for tax materials. The poster advertises the maximum EITC possible and reflects the numbers for NYC residents. It alerts viewers to the availability of the EITC and the importance of filing taxes even if no taxes are owed. Districts are encouraged to print and display this poster.

The attached Direct File and Free File poster advertises a free, easy to use e-filing option that is available to qualifying clients. Districts are encouraged to print and display this poster.

The attached CO-311, Identity Theft Palm Card alerts readers to the dangers of fraud and identity theft and explains how the reader can keep themselves safe. Districts are encouraged to use this resource when speaking to clients about financial literacy.

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### **Issued By:**

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**Title:** Deputy Commissioner

**Division/Office:** Employment and Income Support Programs / Office of Temporary and Disability Assistance