



PRESS RELEASE

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Working families encouraged to file for tax credits

ALBUQUERQUE—As tax season heats up, New Mexico Voices for Children is encouraging low-income families to take advantage of several state and federal tax credits. In addition to the federal Earned Income Tax Credit (EITC), New Mexicans can receive the Working Families Tax Credit (WFTC). The WFTC is available for anyone who qualifies for the EITC. Both of these are refundable credits, meaning they can be claimed even if a family does not owe taxes or receives cash assistance in their income.

Too many New Mexicans do not claim their rightful federal and state tax credits; in 2006, 30,000 New Mexicans were eligible for the EITC, but failed to claim it. The EITC is generally available to families who bring in less than \$38,000 in a year, or to individuals making less than \$13,000. The EITC is worth a maximum of \$4,536 for low-income families. The Working Families Tax Credit (WFTC) refunds 10 percent of this amount, for a maximum of \$453. In 2006, New Mexicans failed to claim an estimated \$76 million to \$136 million in tax credits.

Other tax credits available to low-income families in New Mexico include the Low-Income Comprehensive Tax Rebate (LICTR), the Child Day Care Credit, and on the federal level, the Child Tax Credit (CTC).

Besides encouraging families to find out if they qualify for these tax credits, NM Voices also warns taxpayers to be wary of tax refund anticipation loans. Tax refund loans often have high interest rates and can siphon away the entire amount of the tax credit. Filers can usually get their refund in a week if they go to a preparer who files electronically.

Taxpayers can also ask their employer and tax preparer about the Advance EIC. The Advance EIC is an IRS-sponsored program that pays dividends of the filer's tax credit into their paycheck throughout the year instead of in a lump sum.

Several programs offer tax preparation and electronic filing for free. The Volunteer Income Tax Assistance program (VITA) has multiple sites throughout New Mexico, offering free tax assistance to low-income families and seniors over 65. To find a VITA site, call 1-800-829-1040.

Assistance is also available through TAX HELP New Mexico (1-877-212-4TAX, or in Albuquerque, 244-4TAX; <http://www.cnm.edu/taxhelp/>), an organization that has been providing free tax assistance to New Mexico's low-income families and senior citizens for 34 years.

Most tax assistance sites function on a walk-in basis. All filing is electronic, and many sites offer services in Spanish and Navajo. To receive the maximum benefit from their income taxes, tax payers are encouraged to call the tax assistance organization or visit its website for a checklist of materials to bring along.

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New Mexico Voices for Children is a nonpartisan, nonprofit organization advocating for policies to improve the health and well-being of New Mexico's children, families and communities.
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