

– SAMPLE NEWSLETTER ARTICLES –

Federal and State Tax Credits Can Return Dollars to Michigan Households With Low Incomes

Taxpayers with low incomes can benefit from a variety of federal and state tax credits, all of which can help to reduce taxes owed or provide refunds to the taxpayer. These credits can significantly increase the financial resources available to Michigan households—many of whom struggle to make ends meet.

The federal tax credits include the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), the Child and Dependent Care Credit and the American Opportunity Tax Credit. Michigan tax credits include the state Earned Income Tax Credit, the Home Heating Credit and the Michigan Homestead Property Credit. Some of these credits are available to individuals who are exempt from filing requirements. In addition, some credits are retroactive and can be claimed after the income tax filing deadline of April 15.

The assistance provided through these tax credits can make a difference in the lives of families with low incomes. Tax filers should not use expensive rapid-refund services that diminish the size of their refund. Free and ethical taxpayer assistance is available in most communities.

No one can get you your refund faster, and do not be taken advantage of by organizations promising quicker refunds or offering checks or loans in anticipation of your refund.

The Michigan Economic Impact Coalition has established a website, www.michiganfreetaxhelp.org, to help tax filers find out more about the federal Earned Income Tax Credit and whether they qualify. Filers and volunteers can also find out about free Volunteer Income Tax Assistance (VITA) sites in their communities by going to the website or by calling 2-1-1.

Families With Low Incomes Can Get Relief With Home Heating Expenses

Michigan families and individuals face high home heating expenses every winter. These costs especially harm families working for low wages who may be forced to forgo other necessities in order to pay their monthly heat bills. Many of these families have young children who are particularly impacted by the financial strain arising from monthly energy costs.

To help offset some of these expenses, the state provides a Home Heating Credit to Michigan residents. Home-owners and renters can receive the credit even if they do not owe any Michigan income tax and do not file an income tax form for 2018. (The form used to claim the credit, Form MI-1040CR-7, is separate from the Michigan income tax form.)

Residents who pay their heating bills themselves get the credit in the form of an energy voucher, which must then be sent to their heat provider. Renters who have heat included in the rent receive a check for half of their credit amount, while recipients of the Family Independence Program have their credit sent directly to the heat provider.

Unlike most tax credits, which need to be claimed on tax forms filed by April 15, the Home Heating Credit can be filed as late as September 30, 2019. Filers can also find out where to receive assistance at www.michiganfreetaxhelp.org or by calling 2-1-1.

