

## Advance EITC Products for Employer Use

The IRS has developed free materials for you to keep your employees in-the-know about the Advance EITC. These publications are available in English and Spanish (SP) languages.

- Pub 1235 with Form W-5 and Pub 1235SP with Form W-5, *Advance EITC Employee Brochure*
- Pub 1759 and Pub 1759SP, *Advance EITC Posters 11" x14"*
- Pub 1761 and Pub 1761SP, *Advance EITC Drop-In Ads for newsletters (camera-ready)*
- Pub 1762 and Pub 1762SP, *Advance EITC Stuffer* to include in mailouts, with paychecks

Order copies of these free publications through the IRS at 1-800-829-3676.

## Accessing IRS Materials

Download and print federal tax forms with instructions, tax publications, and other tax materials.

### Internet:

World Wide Web - <http://www.irs.ustreas.gov>

FTP - <ftp.irs.ustreas.gov>

Telnet - [iris.irs.ustreas.gov](telnet://iris.irs.ustreas.gov)

### Modem: (703) 321-8020

Acquire tax forms and publications by ordering the Federal Tax Forms CD-ROM through the Government Printing Office's Superintendent of Documents at (202) 512-1800. This CD includes over 600 current year and prior year tax forms with instructions and tax publications.

From a fax machine, call (703) 487-4160 and get a listing of IRS tax forms. Follow the voice prompts to get forms faxed back to you.

*Your tax questions can be answered by reading tax publications and related forms. For more information, call the IRS at 1-800-829-1040.*



Department of the Treasury  
Internal Revenue Service  
Publication 1844 (Rev. 2-97)  
Catalog No. 12590L

# The 1997 Advance Earned Income Tax Credit

## Extra Money to Your Employees

Economic times are hard for many, that's not news.

But, a tax benefit for employees called the

## Advance Earned Income Tax Credit (Advance EITC)

may be news. The Advance

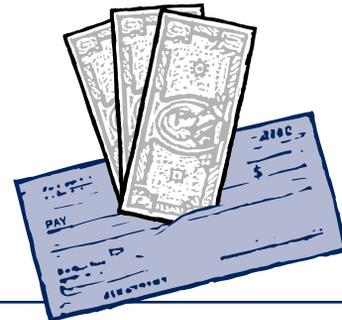
EITC is a way for you,

as an employer,

to help Uncle Sam

add extra money to your

qualifying workers' paychecks.



## The Earned Income Tax Credit (EITC)

The EITC is available to workers whose income falls below a certain level. Because it is a “credit,” the EITC is subtracted from the amount of tax owed. Even people who have not filed a return in previous years, because their wages were below the minimum income level requirements to file, may be able to get the credit.

There are two ways for workers to receive the credit:

- in a lump sum when they file their 1997 tax return (in 1998), or
- in their 1997 paychecks. (This is the Advance EITC.)

## Advance EITC Payment in Paychecks

A worker who will earn less than \$25,760 in 1997 and has a qualifying child can receive part of the credit in his or her paychecks in 1997. Any extra credit should be claimed on his or her 1997 tax return.

Your employees just have one thing to do to get the credit in their pay — give you a completed Form W-5, *Earned Income Credit Advance Payment Certificate*.

## Employer’s Role

By using your employee’s completed Form W-5 and the tables shown in Publication 15, *Circular E Employer’s Tax Guide*, you can compute the addition to your employee’s take-home pay for each payroll period. Then you reduce your required federal employment tax deposit by the amount of any Advance EITC payments you made to the qualifying employees.

You do not use your own funds to make the Advance EITC payments.

## Advance EITC Benefits to Employees

For some lower-income workers, the advance payments may ease the burden of meeting day-to-day expenses. Families will receive part of the credit (extra money) in their pay during 1997 — rather than waiting to claim all their credit when they file their tax return in 1998.

## IRS Advance EITC Assistance

Your local IRS Taxpayer Education office may be able to provide speakers to talk to your employees about the Advance EITC and to help the employees fill out Form W-5.

You may wish to sponsor a Volunteer Income Tax Assistance (VITA) site. The IRS will train volunteers provided by employers to give free one-on-one tax help to employees. This service is available from January to April 15. However, volunteer training starts as early as November or December.

If you do not wish to sponsor a VITA site, the Taxpayer Education Coordinator can provide you with a list of local sites where your employees can go for help.

## EITC and Advance EITC Tax Information Materials

Publications and forms that can provide more detailed information on EITC and Advance EITC are:

- Form W-5, *Earned Income Credit Advance Payment Certificate*
- Pub 15, *Employer’s Tax Guide (Circular E)*
- Pub 596, *Earned Income Credit*
- Pub 910, *Guide to Free Tax Services*