



January 31, 2018

RE: Federal Earned Income Tax Credit

Dear Employee,

We are writing to let you know of an important tax benefit that may be available to you as a Maryland resident. You may already be familiar with – and eligible for – the federal Earned Income Tax Credit (EITC), which is available to certain working individuals and families.

The State of Maryland also provides a separate EITC, to Maryland residents who fulfill certain conditions. Details of who is eligible and what is required by the State of Maryland are provided in the enclosed flyer.

If you have any questions about either the Federal or State EITC, please call your tax advisor or the Comptroller of Maryland at (800) 638-2937.

Sincerely,

ADP TotalSource
Tax Compliance

IMPORTANT NOTICE TO MARYLAND EMPLOYEES

Did you know that federal and Maryland earned income tax credits are available to certain low-income individuals and families?

These credits can reduce the amount of income tax you owe or increase your income tax refund; and, you may qualify to receive some of these credits even if you did not earn enough income to be required to file a tax return.

2017 Maryland Earned Income Tax Credit (EITC)

Maryland's EITC is a credit for certain taxpayers who have income and have worked. The state EITC reduces the amount of Maryland tax you owe. The local EITC reduces the amount of county tax you owe. Some taxpayers may even qualify for a refundable Maryland EITC.

Most taxpayers who are eligible and file for a federal EITC can receive the Maryland state and local EITC. The allowable Maryland credit is up to one-half of the federal credit. To be eligible for the federal and Maryland EITC, your federal adjusted gross income and your earned income must be less than the following:

- \$48,340 (\$53,930 married filing jointly) with three or more qualifying children
- \$45,007 (\$50,597 married filing jointly) with two qualifying children
- \$39,617 (\$45,207 married filing jointly) with one qualifying child
- \$15,010 (\$20,600 married filing jointly) with no qualifying children

To receive the Maryland EITC, you must be eligible for the federal credit. If your income is less than the amounts shown in this notice, visit the Internal Revenue Service Web site at www.irs.gov, or contact your tax advisor, to learn if you meet the other requirements. You also may be entitled to a refundable Maryland EITC and to a local EITC.

If you are a part-year resident, you may be entitled to a prorated share of the credit, if you have Maryland income. As of 2015, nonresidents are no longer eligible for the Maryland credit.

For more information about the Maryland EITC, visit our Web site at www.marylandtaxes.gov or call 1-800-MD-TAXES (1-800-638-2937) or from Central Maryland 410-260-7980. You must have a valid Social Security Number and file a tax return to claim this credit.

Reminder: Legally married same-sex couples must file as married filing jointly or married filing separately for tax year 2017. Employees wishing to adjust their withholding to reflect married status should complete a new Maryland Form MW507, as well as federal Form W-4.

Recordatorio: Parejas del mismo sexo legalmente casadas deberán presentar la declaración de impuestos como casado en conjunto o casado pero realizando la presentación separado para el año tributario 2017. Empleados que deseen ajustar la retención de impuestos con su empleador para reflejar el estado civil como casado, deberán completar una nueva forma de Maryland MW507 así como la forma federal W-4.

Para obtener información en español sobre el Crédito por Ingreso del Trabajo (EITC) de Maryland, visite www.marylandtaxes.gov.

2017 Federal Earned Income Tax Credit (EITC)

For more information about the federal EITC, visit: www.irs.gov/individuals or call the IRS at 1-800-829-1040.