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Farm or Ranch Income or Loss May Affect Earned Income Tax Credit (EITC)

The EITC goes up as earned income goes up and then past a certain amount of income it goes down as income continues to go up.

The EITC is fairly limited for people with no dependents but with one dependent is often between \$1,000 and \$3,000 and for 2-3 dependents is often between \$2,000 and 6,000.

You can look at the current tables for the EITC at the IRS website to see the range of when it kicks in and when it phases out for each filing status and depending on the number of dependents. The tables are included in the instructions to Form 1040, after the income tax tables towards the end of the instructions.

This resource is derived from materials developed by the University of Arkansas School of Law Agricultural Tax Training as part of the Agricultural Financial, Tax and Asset Protection (AgFTAP) partnership with the University of Arkansas Southern Risk Management Education Center and others.