

## Q&A

### Spilling the Tea on Taxes for People with Disabilities Webinar February 25, 2023 11:00 AM ET

*Below are questions asked via chat during the webinar. NDI staff has answered the questions to the best of their knowledge, within the scope of the webinar topic, and in most cases will direct you to the appropriate online resource for additional information.*

#### **If your Adjusted Gross Income falls below the tax rate, should a tax return be filed even if you do not expect to get a return or owe taxes?**

It's perfectly legal to file a tax return even if your income falls below the IRS minimum requirement to file. If you qualify for certain tax credits but owe no tax, you might be able to claim the excess tax credit (like Earned Income Tax Credit) and other credits as a refund when you file your return. This [article from USA Today](#) talks about this topic. Remember you may be eligible for free tax preparation. Find a location for [Free Tax Help](#) near you.

#### **What is the age limit for a qualifying adult disabled child?**

There's no age limit if your child is "[permanently and totally disabled](#)" or meets the qualifying relative test.

#### **What is the minimum earned income to qualify for the EITC?**

#### **What is the minimum amount of earned income on a 1099? to access these tax credits?**

The best way to find out if you qualify is to use the [EITC Assistant](#) on the IRS webpage. It's an easy-to-use online questionnaire that will determine if you qualify for the EITC based your adjusted gross income, residency status and more.

#### **How does the 12-month time period to spend a refund impact the SSI \$2000 cash asset limit?**

Receiving a federal tax refund (or stimulus check) **will not impact your public benefits** like SSI or Medicaid for up to 12 months thanks to the [American Taxpayer Relief Act of 2012 \(ATRA\)](#) which excludes all Federal tax refunds and advanced tax

credits from resource counting for a period of 12 months after the month or receipt. One idea is to open an ABLE account if you don't have one already. If you don't have an immediate reason to spend the money consider saving it for later. Learn more about ABLE accounts in different states from the [ABLE National Resource Center](#).

### **The EITC site questionnaire included does not ask about disability - it says my son is not eligible.**

The Earned Income Tax Credit is not a disability-specific tax credit. We bring it to the attention of people with disabilities because it is often overlooked because people with disabilities who work often do not think they need to file taxes and miss out on these important tax credits! Visit the [EITC Assistant](#) to review the eligibility. There are other factors impacting EITC and disability. Learn more about it on the [IRS Disability and the Earned Income Tax Credit \(EITC\)](#) webpage.

### **Are the laws the same in each state?**

Federal tax law applies to every state. Each state has different tax policies and some states require to file a state tax return. For this webinar we primarily talked about Federal policies.

### **Guam is a United States Territory located in the Pacific Ocean. How does one create an ABLE account and how does one from Guam access free tax preparation?**

A person who is ABLE eligible and who has either a Social Security Administration number or a Tax Filing Identification Number may open an ABLE account in the name of the person who has a disability that began before age 26.

Most ABLE accounts are opened online. ABLE accounts are run differently by states. You can compare ABLE plans with these tools:

- [ABLE National Resource Center - Compare States](#)
- [ABLE National Resource Center State Plan Search](#)
- [ABLE National Resource Center Select a State Program](#)

When you have chosen the plan you want, click on the program name to be directed to the ABLE plan website to open one ABLE account. The [ABLE NRC Frequently Asked Questions](#) and [ABLE Decision Guide Series](#) may be helpful.

**What tax benefits are the families of special needs child/adult entitled to?**

A good resource to start with is [IRS Publication 907](#) that provides information on Tax Highlights for Persons with Disabilities.

**We have not used VITA because we are uncomfortable giving all of our personal confidential financial information to random strangers in the library who volunteer for this program. Identity theft via their computers getting hacked or using library WIFI is very dangerous for data getting exposed.**

All VITA/TCE sites, except Facilitated Self Assistance (FSA) remote sites, must prepare an annual [security plan to safeguard taxpayer data](#).

**Is there a tax exemption for those with disabilities on transportation costs? And or use of your own vehicle usage and repairs, insurance costs, etc. thank you.**

A good resource to start with is [IRS Publication 907](#) that provides information on Tax Highlights for Persons with Disabilities.

**How far back can you amend your taxes?**

An individual can do an amended return up to three previous years.

**Are there any tax credits for couples (married) who are both disabled?**

Refer to IRS [Publication 907](#) to learn more about Tax Highlights for Persons with Disabilities.

**Am I eligible for EITC for my permanently disabled adult if my income is from pension and income that is tax exempt (paid by Medicaid waiver for care of son)?**

Pensions are not a type of income for EITC. IRS provides a list of the type of [earned income](#).

**Is approximately \$57,000 the income limit? What if you make more? Are you still eligible for EITC?**

IRS provides the income levels for EITC based on earned income and the number of children and relatives claimed. The chart below provides additional insight and is on the [IRS website](#). Find the maximum AGI, investment income and credit amounts for tax year 2022.

**Investment income limit:** \$10,300 or less

Children or Relatives Claimed	Filing as Single, Head of Household, or Widowed	Filing as Married Filing Jointly
Zero	\$16,480	\$22,610
One	\$43,492	\$49,622
Two	\$49,399	\$55,529
Three	\$53,057	\$59,187

**Maximum Credit Amounts**

The maximum amount of credit:

- No qualifying children: \$560
- 1 qualifying child: \$3,733
- 2 qualifying children: \$6,164
- 3 or more qualifying children: \$6,935

**What documentation is needed for “permanently and totally disabled”?**

You have a [permanent and total disability](#) if you can't engage in any substantial gainful activity because of your physical or mental condition. *A qualified physician must certify that the condition has lasted or can be expected to last continuously for 12 months or more, or that the condition can be expected to result in death.*

**What are the limits for the last 3 years for EITC?**

You can find the tables for the past three years on the IRS website [EITC page here](#). It's very easy to navigate!

**My disabled daughter lives in her own place, but I have to drive her everywhere. Is there any type of credit/deduction for this?**

This is a complex question and depends on many different factors, including if your daughter is getting funding from other sources. It's best to check with an [IRS VITA site near you](#) with your specific information.

**Can a 91 year old blind person be potentially able to get a retro stimulus payment? She hasn't filed a return for years.**

If you were eligible for a [recovery rebate credit](#) and either didn't receive Economic Impact Payments (EIP), or received less than the full amounts, then you must file either a 2020 ( for first or second EIP) or 2021 (for third EIP) tax return to claim the credit even if you don't usually file. [Learn more here.](#)