



Department of the Treasury
Internal Revenue Service

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Earned Income Credit (EIC)








For use in preparing **2003** Returns

**ARE YOU
ELIGIBLE**

Look inside for...

- Detailed Examples
- Eligibility Requirements
- Advance EIC in Your Paycheck
- Worksheet 1 To Figure Investment Income

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Introduction – Begin Here

What is the EIC?

The earned income credit (EIC) is a tax credit for certain people who work and have earned income under \$34,692. A tax credit usually means more money in your pocket. It reduces the amount of tax you owe. The EIC may also give you a refund.

Can I Claim the EIC?

To claim the EIC, you must meet certain rules. These rules are summarized in *Table 1*.

Table 1. **Earned Income Credit in a Nutshell**

First, you must meet all the rules in this column.		Second, you must meet all the rules in <i>one</i> of these columns, whichever applies.		Third, you must meet the rule in this column.
Chapter 1. Rules for Everyone		Chapter 2. Rules If You Have a Qualifying Child	Chapter 3. Rules If You Do Not Have a Qualifying Child	Chapter 4. Figuring and Claiming the EIC
<p>1. Your adjusted gross income (AGI) must be less than:</p> <ul style="list-style-type: none"> •\$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child, •\$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or •\$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child. (See page 5.) 	<p>2. You must have a valid social security number. (See page 5.)</p> <p>3. Your filing status cannot be “Married filing separately.” (See page 6.)</p> <p>4. You must be a U.S. citizen or resident alien all year. (See page 6.)</p> <p>5. You cannot file Form 2555 or Form 2555-EZ (relating to foreign earned income). (See page 7.)</p> <p>6. Your investment income must be \$2,600 or less. (See page 7.)</p> <p>7. You must have earned income. (See page 9.)</p>	<p>8. Your child must meet the relationship, age, and residency tests. (See page 11.)</p> <p>9. Your qualifying child cannot be used by more than one person to claim the EIC. (See page 15.)</p> <p>10. You cannot be a qualifying child of another person. (See page 17.)</p>	<p>11. You must be at least age 25 but under age 65. (See page 18.)</p> <p>12. You cannot be the dependent of another person. (See page 18.)</p> <p>13. You cannot be a qualifying child of another person. (See page 19.)</p> <p>14. You must have lived in the United States more than half of the year. (See page 19.)</p>	<p>15. Your earned income must be less than:</p> <ul style="list-style-type: none"> •\$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child, •\$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or •\$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child. (See page 20.)

Do I Need This Publication?

Certain people who file Form 1040 must use *Worksheet 1* in this publication, instead of *Step 2* in their Form 1040 instructions, when they are checking whether they can take the EIC. You are one of those people if any of the following statements are true for 2003.

- You are filing Schedule E (Form 1040).
- You are reporting income or a loss from the rental of personal property not used in a trade or business.
- You are reporting income for Form 1040, line 21, from Form 8814 (relating to election to report child's interest and dividends).
- You are reporting an amount on Form 1040, line 13a, that includes an amount from Form 4797.

In addition, if you are the parent of a kidnapped child, you may need to read *Rule 8* in this publication to find out if you can claim the EIC.

If none of the statements above apply to you, your tax form instructions have all the information you need to find out if you can claim the EIC and to figure the amount of your EIC. You do not need this publication. But you can read it to find out whether you can take the EIC and to learn more about the EIC.

How Do I Figure the Amount of EIC?

If you can claim the EIC, you can either have the IRS figure the amount of your credit, or you can figure it yourself. To figure it yourself, you can complete a worksheet in the instructions for the form you file. To find out how to have the IRS figure it for you, see chapter 4.

How Can I Quickly Locate Specific Information?

You can use the index to look up specific information. In most cases, index entries will point you to headings, tables, worksheets, or to text in bold face.

How Can I Get EIC in My Paycheck in 2004?

You may prefer to get some of next year's EIC throughout the year, rather than wait and get EIC after you file your tax return. Chapter 6 explains advance payment of EIC and tells how, if you have a qualifying child, you may be able to get some of the EIC in your paycheck in 2004.

Important Changes

Worksheets no longer in Publication 596. *EIC Worksheets A* and *B* are no longer in Publication 596. To figure your EIC, you may use the appropriate worksheet in the instructions for the form you file. *Worksheet 2*, used to figure earned income, is also no longer in this publication. See *Rule 7* and *Rule 15* for information about figuring earned income.

Form 8836. If you received Form 8836, *Qualifying Children Residency Statement*, you have been selected to participate in the EIC certification pilot program. File the form with the IRS, following the form instructions, to show that your child met the residency test described in *Rule 8*. If you did not receive the form, you do not need to get it or file it. You have to file Form 8836 only if it was mailed to you.

Earned income amount is more. The maximum amount of income you can earn and still get the credit has increased. You may be able to take the credit if:

- You have more than one qualifying child and you earned less than \$33,692 (\$34,692 if married filing jointly),
- You have one qualifying child and you earned less than \$29,666 (\$30,666 if married filing jointly), or
- You do not have a qualifying child and you earned less than \$11,230 (\$12,230 if married filing jointly).

Your adjusted gross income also must be less than the amount in the above list that applies to you. For details, see *Rules 1* and *15*.

Investment income amount is more. The maximum amount of investment income you can have and still get the credit has increased to \$2,600. See *Rule 6*.

Important Reminders

Increased EIC on certain joint returns. A married person filing a joint return may get more EIC than someone with the same income but a different filing status. As a result, the EIC table has different columns for married persons filing jointly than for everyone else. When you look up your EIC in the EIC Table, be sure to use the correct column for your filing status and the number of children you have.

Reporting advance payments of EIC received in 2003. If you received advance payments of EIC in 2003, you must file Form 1040 or Form 1040A to report the payments. Your Form W-2, box 9, (as shown in *Figure 1*) will show the amount you received. Report the amount on line 58 (Form 1040) or line 37 (Form 1040A).

Figure 1. Reporting Advance EIC

9 Advance EIC payment

a Control number 22222		Void <input type="checkbox"/>	For Official Use OMB No. 1545-0047			
b Employer identification number			Federal income tax withheld			
c Employer's name, address, and ZIP code			3	4 Social security tax withheld		
d Employee's social security number			5 Medicare tax withheld	6 Medicare tax withheld		
e Employee's first name and initial Last name			7 Social security tax	8 Allocated tips		
f Employee's address and ZIP code			9 Advance EIC payment	10 Dependent care benefits		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement **2003** Department of the Treasury—Internal Revenue Service
 Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. Cat. No. 10134D For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Earned income credit has no effect on certain welfare benefits. Any refund you receive because of the EIC and any advance EIC payments you receive will not be considered income when determining whether you are eligible for the following benefit programs, or how much you can receive from these programs. However, if the amounts

you receive are not spent within a certain period of time, they may count as an asset (or resource) and affect your eligibility.

- Medicaid and supplemental security income (SSI).
- Food stamps.
- Low-income housing.

Temporary assistance for needy families (TANF) benefits may be affected. Please check with your state.

Disallowed EIC. If you claim the EIC and it is later disallowed, you may have to complete an additional form if you want to claim the credit in a later year. See chapter 5 for more information.

EIC questioned by IRS. The IRS may ask you to provide documents to prove you are entitled to claim the EIC. We will tell you what documents to send us. These may include: birth certificates, school records, medical records, etc. We will also send you a letter with the name, address, and telephone number of the IRS employee assigned to your case. The process of establishing your eligibility will delay your refund.

Spanish version of Publication 596. You can order *Publicación 596SP, Crédito por Ingreso del Trabajo*, from IRS. It is a Spanish translation of Publication 596. See *How To Get Tax Help* in the *Appendix* to find out how to order this and other IRS forms and publications.

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling **1-800-THE-LOST (1-800-843-5678)** if you recognize a child.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can e-mail us at ***taxforms@irs.gov**. Please put "Publications Comment" on the subject line.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T:I
1111 Constitution Ave. NW
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

Chapter 1. Rules for Everyone



This chapter discusses Rules 1 through 7. You must meet all seven rules to qualify for the earned income credit. If you do not meet all seven rules, you cannot get the credit and you do not need to read the rest of the publication.

Note. If you meet all seven rules in this chapter, then read either chapter 2 or chapter 3 (whichever applies) for more rules you must meet.

Rule 1. AGI Limits

Rule 1 Your Adjusted Gross Income (AGI) Must Be Less Than:

- \$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child,
- \$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or
- \$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child.

Adjusted gross income (AGI). AGI is the amount on line 4 of Form 1040EZ, line 22 of Form 1040A, or line 35 of Form 1040.

If your AGI is equal to or more than the applicable limit listed above, you cannot claim the EIC. You do not need to read the rest of this publication.

Example: AGI exceeds limit

Example. Your AGI is \$30,000, you are single, and you have one qualifying child. You cannot claim the EIC because your AGI is not less than \$29,666. However, if your filing status was married filing jointly, you might be able to claim the EIC because your AGI is less than \$30,666.

Community property. If you are married, but qualify to file as head of household under special rules for married taxpayers living apart (see *Rule 3*), and live in a state that has community property laws, your AGI includes that portion of both your and your spouse's wages that you are required to include in gross income. This is different from the community property rules that apply under *Rule 7*.

Rule 2. Social Security Number (SSN)

Rule 2 You Must Have a Valid Social Security Number (SSN)

Valid SSN. To claim the EIC, you (and your spouse, if filing a joint return) **must** have a valid SSN issued by the Social Security Administration (SSA). Any qualifying child listed on Schedule EIC must also have a valid SSN. (See *Rule 8* if you have a qualifying child.)

If your social security card (or your spouse's, if filing a joint return) says "Not valid for employment" **and** your SSN was issued so that you (or your spouse) could get a federally funded benefit, you cannot get the EIC. An example of a federally funded benefit is Medicaid. If you have a card with the legend "Not valid for employment" and your immigration status has changed so that you are now a U.S. citizen or permanent resident, ask the SSA for a new social security card without the legend. If you get the new card after you have already filed your return, you can file an amended return on Form 1040X, *Amended U. S. Individual Income Tax Return*, to claim the EIC.

U.S. citizen. If you were a U.S. citizen when you received your SSN, you have a valid SSN.

Valid for work only with INS authorization. If your social security card reads “Valid for work only with INS authorization,” you have a valid SSN.

SSN missing or incorrect. If an SSN for you or your spouse is missing from your tax return or is incorrect, you may not get the EIC.

Other taxpayer identification number. You cannot get the EIC if, instead of an SSN, you (or your spouse, if filing a joint return) have an individual taxpayer identification number (ITIN). ITINs are issued by the Internal Revenue Service to noncitizens who cannot get an SSN.

No SSN. If you do not have a valid SSN, put “No” directly to the right of line 63 (Form 1040), line 41 (Form 1040A), or print “No” on line 8 (Form 1040EZ). You cannot claim the EIC.

Getting an SSN. If you (or your spouse, if filing a joint return) do not have an SSN, you can apply for one by filing Form SS-5 with the Social Security Administration.

Filing deadline approaching and still no SSN. If the filing deadline is approaching and you still do not have an SSN, you have two choices.

- 1) Request an automatic 4-month extension of time to file your return. You can get this extension by filing Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*. For more information, see the instructions for Form 4868.
- 2) File the return on time without claiming the EIC. After receiving the SSN, file an amended return, Form 1040X, claiming the EIC. Attach a filled-in Schedule EIC, *Earned Income Credit*, if you have a qualifying child.

Rule 3.
Married Person’s Filing Status

Rule 3 Your Filing Status Cannot Be “Married Filing Separately”

If you are married, you usually must file a joint return to claim the EIC. Your filing status cannot be “Married filing separately.”

Spouse did not live with you. If you are married and your spouse did not live in your home at any time during the last 6 months of the year, you may be able to file as head of household, instead of married filing separately. In that case, you may be able to claim the EIC. For detailed information about filing as head of household, see Publication 501, *Exemptions, Standard Deduction, and Filing Information*.

Rule 4.
Nonresident Alien

Rule 4 You Must Be a U.S. Citizen or Resident Alien All Year

You cannot claim the earned income credit if you are a nonresident alien for any part of the year, unless:

- 1) You are married to a U.S. citizen or a resident alien, **and**
- 2) You choose to be treated as a resident for all of 2003 by filing a joint return. If you need more information on making this choice, get Publication 519, *U.S. Tax Guide for Aliens*.

Note. If you make the choice in (2) above, you and your spouse are taxed on your worldwide income. You cannot claim any tax treaty benefits as a resident of a foreign country during a tax year in which the choice is in effect.

Rule 5.
Foreign Earned Income

Rule 5 You Cannot File Form 2555 or Form 2555–EZ

You cannot claim the earned income credit if you file Form 2555, *Foreign Earned Income*, or Form 2555–EZ, *Foreign Earned Income Exclusion*. You file these forms to exclude income earned in foreign countries from your gross income, or to deduct or exclude a foreign housing amount. U.S. possessions are not foreign countries. See Publication 54, *Tax Guide for U.S. Citizens and Resident Aliens Abroad*, for more detailed information.

Rule 6.
Investment Income

Rule 6 Your Investment Income Must Be \$2,600 or Less

You cannot claim the earned income credit unless your investment income is \$2,600 or less. If your investment income is more than \$2,600, you cannot claim the credit.

Form 1040EZ. If you file Form 1040EZ, your investment income is the total of the amount on line 2 and the amount of any tax-exempt interest you wrote to the right of the words “Form 1040EZ” on line 2.

Form 1040A. If you file Form 1040A, your investment income is the total of the amounts on lines 8a (taxable interest), 8b (tax-exempt interest), 9a (ordinary dividends), and 10a (capital gain distributions) on that form.

Form 1040. If you file Form 1040, use *Worksheet 1*, on the next page, to figure your investment income.



Worksheet 1: Investment Income If You Are Filing Form 1040



Interest and Dividends

- | | | | |
|----|--|----|-------|
| 1. | Enter any amount from Form 1040, line 8a. | 1. | _____ |
| 2. | Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b. | 2. | _____ |
| 3. | Enter any amount from Form 1040, line 9a. | 3. | _____ |
| 4. | Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (See instructions below for line 4 if your child received an Alaska Permanent Fund dividend.) | 4. | _____ |

Capital Gain Net Income

- | | | | |
|----|---|----|-------|
| 5. | Enter the amount from Form 1040, line 13a. If the amount on that line is a loss, enter zero. | 5. | _____ |
| 6. | Enter any gain from Form 4797, <i>Sales of Business Property</i> , line 7, column (g). If the amount on that line is a loss, enter zero. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9, column (g), instead.) | 6. | _____ |
| 7. | Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter zero.) | 7. | _____ |

Royalties and Rental Income from Personal Property

- | | | | |
|-----|--|-----|-------|
| 8. | Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21. | 8. | _____ |
| 9. | Enter any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 33. | 9. | _____ |
| 10. | Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter zero.) | 10. | _____ |

Passive Activities

- | | | | |
|-----|---|-----|-------|
| 11. | Enter the total of any net income from passive activities (included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), and 40). (See instructions below for lines 11 and 12.) | 11. | _____ |
| 12. | Enter the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), and 40). (See instructions below for lines 11 and 12.) | 12. | _____ |
| 13. | Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter zero.) | 13. | _____ |
| 14. | Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your Investment Income. | 14. | _____ |
| 15. | Is the amount on line 14 more than \$2,600?
<input type="checkbox"/> Yes. You cannot take the credit.
<input type="checkbox"/> No. Go to Question 5 in Step 2 of your Form 1040 instructions to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to <i>Rule 7</i> , next). | | |

Instructions for line 4 if your child received Alaska Permanent Fund dividends. To figure the amount to enter on line 4, start with the amount on line 6 of Form 8814. Multiply that amount by a percentage that is equal to any Alaska Permanent Fund dividends divided by the total amount of interest and dividend income on lines 1a and 2 of Form 8814. Subtract the result from the amount on line 6 of Form 8814.

Example. Your 10-year-old child has taxable interest income of \$500 and an Alaska Permanent Fund dividend of \$2,000. You choose to report this income on your return. You enter \$500 on line 1a of Form 8814, \$2,000 on line 2, and \$2,500 on line 4. You enter \$1,000 on line 6 of Form 8814 and line 21 of Form 1040. You figure the amount to enter on line 4 of this worksheet as follows:
 $\$1,000 - (\$1,000 \times (\$2,000 \div \$2,500)) = \$200$.

Instructions for lines 11 and 12. In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

Rule 7.
Earned Income

Rule 7 You Must Have Earned Income

This credit is called the “earned income” credit because, to qualify, you must work and have earned income. If you are married and file a joint return, you meet this rule if at least one spouse works and has earned income. If you are an employee, earned income includes all the taxable income you get from your employer.

Rule 15 has information that will help you figure the amount of your earned income. If you are self-employed or a statutory employee, you will figure your earned income on EIC Worksheet B in the Form 1040 instructions.

Earned Income

Earned income includes:

- 1) Wages, salaries, and tips,
- 2) Net earnings from self-employment, and
- 3) Gross income received as a statutory employee.

Wages, salaries, and tips. Wages, salaries, and tips you receive for working are reported to you on Form W–2, box 1. You should report these on line 1 (Form 1040EZ) or line 7 (Forms 1040A and 1040).

Net earnings from self-employment. You may have net earnings from self-employment if:

- You own your business, or
- You are a minister or member of a religious order.

Minister’s housing. The rental value of a home or a housing allowance provided to a minister as part of the minister’s pay generally is not subject to income tax but is included in net earnings from self-employment. For that reason, it is included in earned income for the EIC (except in certain cases described in *Approved Form 4361 or Form 4029*, below). See *Example 4* in chapter 7.

Statutory employee. You are a statutory employee if you receive a Form W–2 on which the “Statutory employee” box (box 13) is checked. You report your income and expenses as a statutory employee on Schedule C or C–EZ (Form 1040).

Strike benefits. Strike benefits paid by a union to its members are earned income.

Approved Form 4361 or Form 4029

This section is for persons who have an approved:

- Form 4361, *Application for Exemption from Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners*, or
- Form 4029, *Application for Exemption from Social Security and Medicare Taxes and Waiver of Benefits*.

Each approved form exempts certain income from social security taxes. Each form is discussed in this section in terms of what is or is not earned income for purposes of the EIC.

Form 4361. Even if you have an approved Form 4361, amounts you received for performing ministerial duties as an employee count as earned income. This includes wages, salaries, tips, and other taxable employee compensation. Amounts you received

for performing ministerial duties, but not as an employee, do not count as earned income. Examples include fees for performing marriages and honoraria for delivering speeches.

Form 4029. Even if you have an approved Form 4029, all wages, salaries, tips, and other taxable employee compensation count as earned income. However, amounts you received as a self-employed individual do not count as earned income. Also, in figuring earned income, do not subtract losses on Schedule C, C–EZ, or F from wages on line 7 of Form 1040.

Disability Benefits

If you retired on disability, benefits you receive under your employer's disability retirement plan are considered earned income until you reach minimum retirement age. Minimum retirement age generally is the earliest age at which you could have received a pension or annuity if you were not disabled. You must report your taxable disability payments on line 7 of either Form 1040 or Form 1040A until you reach minimum retirement age.

Beginning on the day after you reach minimum retirement age, payments you receive are taxable as a pension and are not considered earned income. Report taxable pension payments on Form 1040, lines 16a and 16b, or Form 1040A, lines 12a and 12b.

Disability insurance payments. Payments you received from a disability insurance policy that you paid the premiums for are not earned income. It does not matter whether you have reached minimum retirement age. If this policy is through your employer, the amount may be shown in box 12 of your Form W–2 with code “J.”

Income That Is Not Earned Income

Examples of items that are **not** earned income include interest and dividends, pensions and annuities, social security and railroad retirement benefits (including disability benefits), alimony and child support, welfare benefits, workers' compensation benefits, unemployment compensation (insurance), nontaxable foster care payments, and veterans' benefits, including VA rehabilitation payments. Do **not** include any of these items in your earned income.

Earnings while an inmate. Amounts received for work performed while an inmate in a penal institution are not earned income when figuring the earned income credit. This includes amounts for work performed while in a work release program or while in a halfway house.

Workfare payments. Nontaxable workfare payments are not earned income for the EIC. These are cash payments certain people receive from a state or local agency that administers public assistance programs funded under the federal Temporary Assistance for Needy Families (TANF) program in return for certain work activities such as (1) work experience activities (including remodeling or repairing public housing) if sufficient private sector employment is not available, or (2) community service program activities.

Community property. If you are married, but qualify to file as head of household under special rules for married taxpayers living apart (see *Rule 3*), and live in a state that has community property laws, your earned income for the EIC does not include any amount earned by your spouse that is treated as belonging to you under those laws. That amount is not earned income for the EIC, even though you must include it in your gross income on your income tax return. Your earned income includes the entire amount you earned, even if part of it is treated as belonging to your spouse under your state's community property laws.

Chapter 2. Rules If You Have a Qualifying Child



If you have met all the rules in chapter 1, use this chapter to see if you have a qualifying child. This chapter discusses Rules 8 through 10. You must meet all three of those rules, in addition to the rules in chapters 1 and 4, to qualify for the earned income credit with a qualifying child.

Note. You must file Form 1040 or Form 1040A to claim the EIC with a qualifying child. (You cannot file Form 1040EZ.) You must also complete Schedule EIC and attach it to your return. If you meet all the rules in chapter 1 and this chapter, read chapter 4 to find out what to do next.

No qualifying child. If you do not meet *Rule 8*, you do not have a qualifying child. Read chapter 3 to find out if you can get the earned income credit without a qualifying child.

Rule 8. Qualifying Child

Rule 8 Your Child Must Meet the Relationship, Age, and Residency Tests

Your child is a qualifying child if your child meets three tests. The three tests are:

- 1) Relationship,
- 2) Age, and
- 3) Residency.

The three tests are illustrated in *Figure 2* on page 12. The paragraphs that follow contain more information about each test.



Relationship Test

To be your qualifying child, a child must be your:

- Son, daughter, adopted child, stepchild, or a descendant (for example, your grandchild) of any of them, or
- Brother, sister, stepbrother, stepsister, or a descendant (for example, your niece or nephew) of any of them whom you cared for as you would your own child, or
- Eligible foster child.

The following definitions clarify the relationship test.

Adopted child. An adopted child is always treated as your own child. Your adopted child includes a child placed with you for adoption by an authorized placement agency, even if the adoption is not final.

An authorized placement agency includes any person or court authorized by state law to place children for legal adoption.

Eligible foster child. For the EIC, a person is your eligible foster child if both of the following are true.

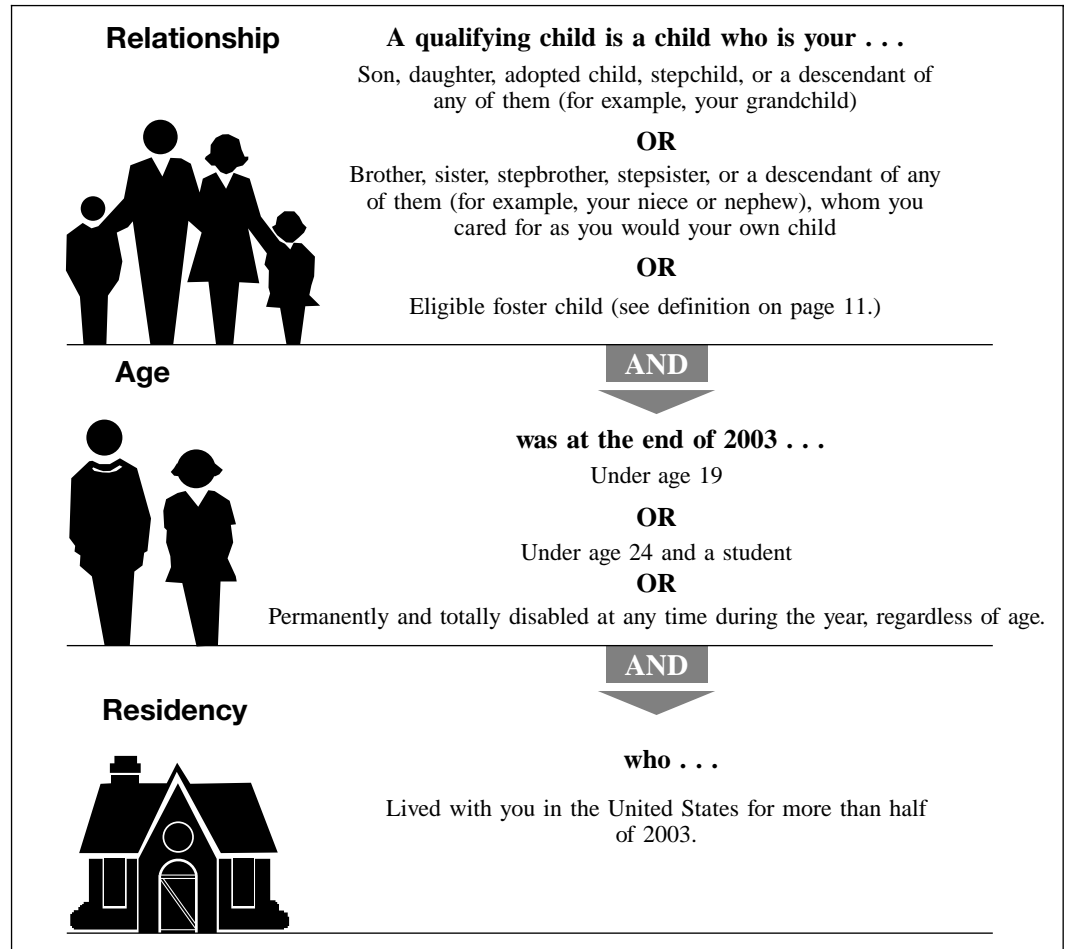
- 1) The child is placed with you by an authorized placement agency. (An authorized placement agency includes a state or local government agency or court. It also includes a tax-exempt organization licensed by a state. In addition, it includes an Indian tribal government or an organization authorized by an Indian tribal government to place Indian children.)
- 2) You cared for that child as you would your own child.



Example:
Eligible foster child

Example. Debbie, who is 12 years old, was placed in your care 2 years ago by an authorized agency responsible for placing children in foster homes. You care for her as you would your own child. Debbie is your eligible foster child.

Figure 2. Tests for Qualifying Child



Child not a dependent. Your child does not have to be your dependent to be a qualifying child, unless he or she is married.

Married child. If your child was married at the end of the year, he or she does not meet the relationship test unless either of these two situations applies to you:

- 1) You can claim the child's exemption, or
- 2) The reason you cannot claim the child's exemption is that you gave that right to your child's other parent:
 - a) When you completed Form 8332 or a similar written statement, or
 - b) In a pre-1985 agreement (such as a separation agreement or divorce decree).



Age Test

Your child must be:

- 1) Under age 19 at the end of 2003,
- 2) A full-time student under age 24 at the end of 2003, or
- 3) Permanently and totally disabled at any time during 2003, regardless of age.

The following example and definitions clarify the age test.

Example:
Child not under age 19

Example. Your son turned 19 on December 10. Unless he was disabled or a full-time student, he is not a qualifying child because, at the end of the year, he was not **under** age 19.

Full-time student. A full-time student is a student who is enrolled for the number of hours or courses the school considers to be full-time attendance.

Student defined. To qualify as a student, your child must be, during some part of each of any 5 calendar months during the calendar year:

- 1) A full-time student at a school that has a regular teaching staff, course of study, and regular student body, or
- 2) A student taking a full-time, on-farm training course given by a school described in (1), or a state, county, or local government.

The 5 calendar months need not be consecutive.

School defined. A school can be an elementary school, junior or senior high school, college, university, or technical, trade, or mechanical school. However, on-the-job training courses, correspondence schools, and night schools do not count as schools for the EIC. (But see *Night school*, later.)

Vocational high school students. Students who work in co-op jobs in private industry as a part of a school's regular course of classroom and practical training are considered full-time students.

Night school. Your child is not a full-time student if he or she attends school only at night. However, full-time attendance at a school may include some attendance at night as part of a full-time course of study.

Permanently and totally disabled. Your child is permanently and totally disabled if **both** of the following apply.

- 1) He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
- 2) A doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.



Residency Test

Your child must have lived with you in the United States for more than half of 2003. The following definitions clarify the residency test.

United States. This means the 50 states and the District of Columbia. It does not include U.S. possessions, such as Guam and Puerto Rico.

Homeless shelter. Your home can be any location where you regularly live. You do not need a traditional home. For example, if your child lived with you for more than half the year in one or more homeless shelters, your child meets the residency test.

Military personnel stationed outside the United States. U.S. military personnel stationed outside the United States on extended active duty are considered to live in the United States during that duty period for purposes of the EIC.

Extended active duty. Extended active duty means you are called or ordered to duty for an indefinite period or for a period of more than 90 days. Once you begin serving your extended active duty, you are still considered to have been on extended active duty even if you do not serve more than 90 days.

Birth or death of child. A child who was born or died in 2003 is treated as having lived with you for all of 2003 if your home was the child's home the entire time he or she was alive in 2003.

Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time lived at home. Examples of a special circumstance include:

- Illness,
- School attendance,
- Detention in a juvenile facility,
- Business,
- Vacation, and
- Military service.

Kidnapped child. A kidnapped child is treated as living with you for more than half of the year if the child lived with you for more than half the part of the year before the date of the kidnapping. The child must be presumed by law enforcement authorities to have been kidnapped by someone who is not a member of your family or the child's family. This treatment applies for all years until the child is returned. However, the last year this treatment can apply is the earlier of:

- 1) The year there is a determination that the child is dead, or
- 2) The year the child would have reached age 18.

If your qualifying child has been kidnapped and meets these requirements, enter "KC," instead of a number, on line 5 of Schedule EIC.



Social security number.

Your qualifying child must have a valid social security number (SSN), unless the child was born and died in 2003. You cannot claim the EIC on the basis of a qualifying child if:

- 1) Your qualifying child's SSN is missing from your tax return or is incorrect,
- 2) Your qualifying child's social security card says "Not valid for employment" and was issued for use in getting a federally funded benefit, or
- 3) Instead of an SSN, your qualifying child has:
 - a) An individual taxpayer identification number (ITIN), which is issued to a noncitizen who cannot get an SSN, or
 - b) An adoption taxpayer identification number (ATIN), which is issued to adopting parents who cannot get an SSN for the child being adopted until the adoption is final.

If you have two qualifying children and only one has a valid SSN, you can claim the EIC only on the basis of that child. For more information about SSNs, see *Rule 2*.

Rule 9.
Qualifying Child of More
Than One Person

Rule 9 Your Qualifying Child Cannot Be Used By More Than One Person To Claim the EIC

Sometimes a child meets the rules to be a qualifying child of more than one person. However, only one person can treat that child as a qualifying child and claim the EIC using that child. The paragraphs that follow will help you decide who can claim the EIC when more than one person has the same qualifying child.

You can choose which person will claim the EIC. If you and someone else have the same qualifying child, you and the other person(s) can decide who will claim the credit using that qualifying child. But if you and the other person(s) cannot agree and more than one person claims the credit using the same child, the tie-breaker rule (explained in *Table 2*, next) applies. If the other person is your spouse and you file a joint return, this rule does not apply.

Table 2. **When More Than One Person Claims EIC Using Same Child (Tie-Breaker Rule.)**

IF more than one person claims the EIC using the same child and	THEN
Only one of the persons is the child's parent	Only the parent can treat the child as a qualifying child.
Two of the persons are the child's parent, and they do not file a joint return together	Only the parent with whom the child lived the longest during the year can treat the child as a qualifying child.
Two of the persons are the child's parent, the child lived with each parent the same amount of time during the year, and the parents do not file a joint return together	Only the parent with the highest adjusted gross income (AGI) can treat the child as a qualifying child.
None of the persons are the child's parent	Only the person with the highest AGI can treat the child as a qualifying child.

If another person claims the EIC using this child. If your qualifying child is treated under this rule as the qualifying child of another person for 2003, you cannot take the EIC using this qualifying child. You may be able to take the EIC using a different qualifying child, but you cannot take the EIC for people who do not have a qualifying child. If you do not have another qualifying child, you cannot take the EIC. Put "No" beside line 63 (Form 1040) or line 41 (Form 1040A).

Examples. The following examples may help you in determining whether you can claim the EIC when you and someone else have the same qualifying child.

Example 1. You and your 2-year-old son lived with your mother all year. You are 25 years old. Your only income was \$9,000 from a part-time job. Your mother's only income was \$20,000 from her job. Your son is a qualifying child of both you and your mother because he meets the relationship, age, and residency tests for both you and your mother. However, only one of you can use him to claim the EIC. You, and your mother, may choose which of you will treat the child as a qualifying child to claim the EIC. However, if you and she disagree and both use him to claim the EIC, you as the child's parent will be the only one allowed to claim the credit using this child.

Examples:
Child lived with parent and
grandparent

Example 2. The facts are the same as in *Example 1*, except that you also have two other young children who lived with you and your mother and are qualifying children of both you and your mother. Only one of you can use each child to claim the EIC. However, you and your mother can split the three qualifying children between you. For example, you can use one child to claim the EIC and your mother can use the other two.

Example 3. The facts are the same as in *Example 1*, except that you are only 18 years old. This means you are a qualifying child of your mother. Because of *Rule 10*, discussed next, you cannot claim the EIC. Only your mother may be able to treat your son as a qualifying child to claim the EIC. If your mother meets all the other requirements for claiming the EIC, she can use both you and your son to claim the EIC.

Example:
Divorced parents

Example 4. You, your husband, and your 10-year-old son lived together until July 1, 2003, when your husband moved out of the household. In July and August, your son lived with your husband. In September and October, the boy lived with you. On November 1, 2003, you and your husband were divorced. For the rest of the year, your son lived with your ex-husband, who was given custody. Your son is a qualifying child of both you and your ex-husband because your son lived with each of you for more than half the year and because he met the relationship and age tests for both of you.

You and your ex-husband may choose which of you will treat the child as a qualifying child to claim the EIC. However, if you and he are unable to agree and both use the child to claim the EIC, only your ex-husband will be allowed to claim the credit using this child. This is because, during 2003, the child lived with him longer than with you. You cannot claim the EIC for persons either with or without a qualifying child.

Example:
Unmarried parents

Example 5. You, your 5-year-old son, and your son's father lived together all year. You and your son's father are not married. Your son is a qualifying child of both you and his father because he meets the relationship, age, and residency tests for both you and his father. You earned \$8,000 and your son's father earned \$18,000. Neither of you had any other income. You and your son's father may choose which of you will treat the child as a qualifying child to claim the EIC. However, if you and he are unable to agree and both use the child to claim the EIC, only the father will be allowed to claim the credit using this child. This is because his AGI (\$18,000) was more than your AGI (\$8,000). You cannot claim the EIC for persons either with or without a qualifying child.

Example:
Child did not live with a parent

Example 6. You and your 7-year-old niece lived with your mother all year. You care for your niece as you would your own child. You are 25 years old, and your only income was \$9,300 from a part-time job. Your mother's only income was \$15,000 from her job. Your niece is a qualifying child of both you and your mother because she meets the relationship, age, and residency tests for both you and your mother. However, only one of you can treat her as a qualifying child to claim the EIC. You and your mother may choose which of you will use the child to claim the EIC. However, if you and she are unable to agree and both use the child to claim the EIC, only your mother will be allowed to claim the credit using this child. This is because her AGI (\$15,000) is higher than your AGI (\$9,300).

Rule 10.
Qualifying Child of Another Person

Rule 10 You Cannot Be a Qualifying Child of Another Person

You are a qualifying child of another person (your parent, guardian, foster parent, etc.) if all of the following statements are true.

- 1) You are that person's son, daughter, adopted child, stepchild, grandchild, or eligible foster child. Or, you are that person's brother, sister, stepbrother, or stepsister (or



the child or grandchild of that person's brother, sister, stepbrother, or stepsister) and that person cares for you as his or her own child.

- 2) At the end of the year you were under age 19, or under age 24 and a full-time student, or any age if you were permanently and totally disabled at any time during the year.
- 3) You lived with that person in the United States for more than half of the year.

For more details about the tests to be a qualifying child, see *Rule 8*.

If you (or your spouse, if filing a joint return) are a qualifying child of another person, you cannot claim the EIC. This is true even if the person for whom you are a qualifying child does not claim the EIC or meet all of the rules to claim the EIC. Put "No" beside line 63 (Form 1040) or line 41 (Form 1040A).

Example:
Qualifying child of another person

Example. You and your daughter lived with your mother all year. You are 22 years old and attended a trade school full time. You had a part-time job and earned \$5,700. You had no other income. Because you meet the relationship, age, and residency tests, you are a qualifying child of your mother. She can claim the EIC if she meets all the other requirements. Because you are your mother's qualifying child, you cannot claim the EIC. This is so even if your mother cannot or does not claim the EIC.

Chapter 3. Rules If You Do Not Have a Qualifying Child

A

B

C's

Use this chapter if you do not have a qualifying child and have met all the rules in chapter 1. This chapter discusses Rules 11 through 14. You must meet all four of those rules, in addition to the rules in chapters 1 and 4, to qualify for the earned income credit without a qualifying child.

Note. You can file Form 1040, Form 1040A, or Form 1040EZ to claim the EIC without a qualifying child. If you meet all the rules in chapter 1 and this chapter, read chapter 4 to find out what to do next.

Rule 11. Age

Rule 11 You Must Be at Least Age 25 but Under Age 65

You must be at least age 25 but under age 65 at the end of 2003. If you are married filing a joint return, either you or your spouse must be at least age 25 but under age 65 at the end of 2003. It does not matter which spouse meets the age test, as long as one of the spouses does.

If neither you nor your spouse meets the age test, you cannot claim the EIC. Put "No" directly to the right of line 63 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

Examples: Age

Example 1. You are age 28 and unmarried. You meet the age test.

Example 2. You are married and filing a joint return. You are age 23 and your spouse is age 27. You meet the age test because your spouse is at least age 25 but under age 65.

Rule 12. Dependent of Another Person

Rule 12 You Cannot Be the Dependent of Another Person

If you are **not** filing a joint return, you meet this rule if:

- You checked box 6a on Form 1040 or 1040A, **or**
- You checked the "No" box on line 5 of Form 1040EZ.

If you are filing a joint return, you meet this rule if:

- You checked both box 6a and box 6b on Form 1040 or 1040A, **or**
- You and your spouse checked the "No" box on line 5 of Form 1040EZ.

If you are not sure whether someone else can claim you (or your spouse if filing a joint return) as a dependent, get Publication 501 and read the rules for claiming a dependent. If someone else can claim you (or your spouse if filing a joint return) as a dependent on his or her return, but does not, you still cannot claim the credit.

Examples: Dependent of another person

Example 1. In 2003, you were age 25, single, and living at home with your parents. You worked and were not a student. You earned \$7,500. Your parents cannot claim you as a dependent. When you file your return, you claim an exemption for yourself by checking the "No" box on line 5 of your Form 1040EZ. You meet this rule.

Example 2. The facts are the same as in *Example 1*, except that you earned \$2,000. Your parents can claim you as a dependent but decide not to. You do not meet this rule. You cannot claim the credit because your parents could have claimed you as a dependent.

Rule 13.
Qualifying Child of Another Person

Rule 13 You Cannot Be a Qualifying Child of Another Person

You are a qualifying child of another person (your parent, guardian, foster parent, etc.) if all of the following statements are true.

- 1) You are that person's son, daughter, adopted child, stepchild, grandchild, or eligible foster child. Or, you are that person's brother, sister, stepbrother, or stepsister (or the child or grandchild of that person's brother, sister, stepbrother, or stepsister) for whom that person cares as his or her own child.
- 2) At the end of the year you were under age 19, or under age 24 and a full-time student, or any age if you were permanently and totally disabled at any time during the year.
- 3) You lived with that person in the United States for more than half of the year.

For more details about the tests to be a qualifying child, see *Rule 8*.

If you (or your spouse if filing a joint return) are a qualifying child of another person, you cannot claim the EIC. This is true even if the person for whom you are a qualifying child does not claim the EIC or meet all of the rules to claim the EIC. Put "No" directly to the right of line 63 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

Example:
Qualifying child of another person

Example. You lived with your mother all year. You are age 26 and permanently and totally disabled. Your only income was from a community center where you went twice a week to answer telephones. You earned \$1,500 for the year. Because you meet the relationship, age, and residency tests, you are a qualifying child of your mother. She can claim the EIC if she meets all the other requirements. Because you are a qualifying child of your mother, you cannot claim the EIC. This is so even if your mother cannot or does not claim the EIC.

Rule 14.
Main Home in United States

Rule 14 You Must Have Lived in the United States More Than Half of the Year

Your home (and your spouse's, if filing a joint return) must have been in the United States for more than half the year.

If it was not, put "No" directly to the right of line 63 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

United States. This means the 50 states and the District of Columbia. It does not include U.S. possessions, such as Guam and Puerto Rico.

Homeless shelter. Your home can be any location where you regularly live. You do not need a traditional home. If you lived in one or more homeless shelters in the United States for more than half the year, you meet this rule.

Military personnel stationed outside the United States. U.S. military personnel stationed outside the United States on extended active duty (defined on page 14) are considered to live in the United States during that duty period for purposes of the EIC.

Chapter 4. Figuring and Claiming the EIC



You must meet one more rule to be eligible to claim the EIC.

You need to know the amount of your earned income to see if you meet the rule in this chapter. You also need to know that amount to figure your EIC.

Rule 15. Earned Income Limits

Rule 15 Your Earned Income Must Be Less Than:

- \$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child,
- \$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or
- \$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child.

Earned Income

Earned income generally means wages, salaries, tips, other taxable employee compensation, and net earnings from self-employment. Earned income is explained in detail in *Rule 7* in chapter 1.

Figuring earned income. If you are self-employed, a statutory employee, or a member of the clergy or a church employee who files Schedule SE (Form 1040), you will figure your earned income when you fill out Part 4 of *EIC Worksheet B* in the Form 1040 instructions.

Otherwise, figure your earned income by using the worksheet in *Step 5* of the Form 1040 instructions for line 63 or the Form 1040A instructions for line 41 or the worksheet in *Step 2* of the Form 1040EZ instructions for line 8.

When using one of those worksheets to figure your earned income, you will start with the amount on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ). You will then reduce that amount by any amount included on that line and described in the following list.

- **Scholarship or fellowship grants not reported on a Form W-2.** A scholarship or fellowship grant that was not reported to you on a Form W-2 is not considered earned income for the earned income credit.
- **Inmates.** Amounts received for work performed while an inmate in a penal institution are not earned income for the earned income credit. This includes amounts received for work performed while in a work release program or while in a halfway house. If you received any amount for work done while an inmate in a penal institution and that amount is included in the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ), put "PRI" and the amount on the dotted line next to line 7 (Form 1040), in the space to the left of line 7 (Form 1040A), or in the space to the left of line 1 (Form 1040EZ).
- **Deferred compensation plans.** A pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan is not considered earned income for the earned income credit. If you received such an amount and it was included in the total on line 7 (Form 1040 or Form 1040A), or line 1 (Form 1040EZ), put "DFC" and the amount on the dotted line next to line 7 (Form 1040), in the space to the



left of the entry space for line 7 (Form 1040A), or in the space to the left of line 1 (Form 1040EZ). This amount may be reported in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or an annuity.

Clergy. If you are a member of the clergy who files Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on line 7 (Form 1040), subtract that amount from the amount on line 7 (Form 1040) and enter the result in the first space of the worksheet in *Step 5* of the Form 1040 instructions for line 63. Print “Clergy” on the dotted line next to line 63 (Form 1040).

Church employees. A church employee means an employee (other than a minister or member of a religious order) of a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes. If you received wages as a church employee and included any amount on both line 5a of Schedule SE and line 7 (Form 1040), subtract that amount from the amount on line 7 (Form 1040), and enter the result in the first space of the worksheet in *Step 5* of the Form 1040 instructions for line 63.

Tip:
If you want the IRS to figure your income tax, see *Publication 967, The IRS Will Figure Your Tax.*

IRS Will Figure the EIC for You

The IRS will figure your EIC for you if you follow the instructions in *Figure 3* on the next page.



Please do not ask the IRS to figure your EIC unless you are eligible for it. To be eligible, you must meet Rule 15 in this chapter as well as the rules in chapter 1 and either chapter 2 or chapter 3, whichever applies to you. If your credit was reduced or disallowed for any year after 1996, the rules in chapter 5 may apply as well.



Figure 3. Steps To Follow To Have the IRS Figure Your EIC

Payments, credits, and tax	Advance earned income credit	2
	Earned income credit (EIC)	1
	Add lines your total payments	3
	Refund	3

- 1** Print “EIC” on the dotted line next to line 63 (Form 1040), to the left of the entry space for line 41 (Form 1040A), or in the space to the left of line 8 (Form 1040EZ). Then, if you have any of the types of income described earlier under *Inmates*, *Deferred compensation plans*, or *Clergy*, follow the instructions given there.
- 2** Complete all other parts of your return that apply to you (including line 58 (Form 1040) or line 37 (Form 1040A) to report advance payments of the EIC).
- 3** Do not fill in lines that relate to your total payments, overpayment, refund, or amount you owe (lines 68, 69, 70a, and 72 (Form 1040), lines 43, 44, 45a, and 47 (Form 1040A), or lines 9, 11a, and 12 (Form 1040EZ)).
- 4** If you have a qualifying child, complete Schedule EIC and attach it to your tax return.

How To Figure the EIC Yourself

To figure the EIC yourself, use the EIC worksheet in the instructions for the form you are using (Form 1040, Form 1040A, or Form 1040EZ). If you have a qualifying child, complete Schedule EIC (discussed on page 23) and attach it to your tax return.

If you want the IRS to figure your EIC for you, see *IRS Will Figure the EIC for You*, earlier.

Special Instructions for Form 1040 Filers

If you file Form 1040, you will need to decide whether to use *EIC Worksheet A* or *EIC Worksheet B* to figure the amount of your EIC. This section explains how to use these worksheets and how to report the EIC on your return.

EIC Worksheet A. Use *EIC Worksheet A* if you are not self-employed, a member of the clergy or a church employee who files Schedule SE, or a statutory employee filing Schedule C or C–EZ.

EIC Worksheet B. Use *EIC Worksheet B* if you are self-employed, a member of the clergy or a church employee who files Schedule SE, or a statutory employee filing Schedule C or C–EZ. If any of the following situations apply to you, read the paragraph and then complete *EIC Worksheet B*.



Net earnings from self-employment \$400 or more. If your net earnings from self-employment are \$400 or more, be sure to correctly fill out Schedule SE (Form 1040) and pay the proper amount of self-employment tax. If you do not, you may not get all the EIC you are entitled to.

When to use the optional methods of figuring net earnings. Using the optional methods on Schedule SE to figure your net earnings from self-employment may qualify you for the EIC or give you a larger credit. If your net earnings (without using the optional methods) are less than \$1,600, see Publication 533, *Self-Employment Tax*, and the instructions for Schedule SE, for details about the optional methods.

When both spouses have self-employment income. You must complete both Parts 1 and 2 of *EIC Worksheet B* if all of the following conditions apply to you.

- 1) You are married filing a joint return.
- 2) Both you and your spouse have income from self-employment.
- 3) You or your spouse files a Schedule SE and the other spouse does not file Schedule SE.

Statutory employees. Statutory employees report wages and expenses on Schedule C or C-EZ. They do not file Schedule SE. If you are a statutory employee, enter amounts from Schedule C or C-EZ in Part 3 when you complete *EIC Worksheet B*.



When figuring your net earnings from self-employment, you must claim all your allowable business expenses.

Schedule EIC

You must complete Schedule EIC and attach it to your tax return if you have a qualifying child and are claiming the EIC. Schedule EIC provides IRS with information about your qualifying children, including their names, ages, SSNs, relationship to you, and the amount of time they lived with you during the year. An example of a filled-in Schedule EIC is shown on page 32.



If you are required to complete and attach Schedule EIC but do not, it will take longer to process your return and issue your refund.



Chapter 5. Disallowance of the EIC



If your earned income credit (EIC) for any year after 1996 was denied (disallowed) or reduced by the IRS, you may need to complete an additional form to claim the credit for 2003.

This chapter is for people whose earned income credit (EIC) for any year after 1996 was denied or reduced by the IRS. If this applies to you and you want to claim the credit for 2003, you may need to complete Form 8862, *Information To Claim Earned Income Credit After Disallowance*, and attach it to your 2003 return. This chapter explains when you need to attach Form 8862. For more information, see Form 8862 and its instructions.

This chapter also explains the rules for certain people who cannot claim the EIC for a period of years because their EIC was denied or reduced.

Form 8862

If your EIC for any year after 1996 was denied or reduced for any reason other than a math or clerical error, you must attach a completed Form 8862 to your next tax return if you wish to claim the EIC.

However, do not file Form 8862 if:

- 1) Your EIC for 2001 or 2002 was reduced or disallowed only because the IRS determined that one or both of the children listed on your Schedule EIC were not your qualifying children for that year, and
- 2) You are claiming the EIC without a qualifying child for 2003.

The date on which your EIC was denied and the date on which you file your 2003 return affect whether you need to attach Form 8862 to your 2003 return or to a later return. The following examples demonstrate whether Form 8862 is required for 2003 or 2004.

Example:
Form 8862 required for 2003

Example 1. You filed your 2002 tax return in March 2003 and claimed the EIC with a qualifying child. The IRS questioned the EIC, and you were unable to prove the child was a qualifying child. In September 2003, you received a statutory notice of deficiency telling you that an adjustment would be assessed unless you filed a petition in the Tax Court within 90 days. You did not act on this notice within 90 days. Therefore, your EIC was denied in December 2003. If you wish to claim the EIC with a qualifying child on your 2003 return, you must complete and attach Form 8862 to that return. However, if you wish to claim the EIC without a qualifying child on your 2003 return, you do not need to file Form 8862.

Example:
Form 8862 required for 2004

Example 2. The facts are the same as in *Example 1*, except that you received the statutory notice of deficiency in February 2004. Because the 90-day period referred to in the statutory notice is not over when you are ready to file your return for 2003, you should not attach Form 8862 to your 2003 return. However, if you wish to claim the EIC with a qualifying child for 2004, you must complete and attach Form 8862 to your return for that year. If you wish to claim the EIC without a qualifying child for 2004, you do not need to file Form 8862.

Exception for math or clerical errors. If your EIC was denied or reduced as a result of a math or clerical error, do not attach Form 8862 to your next tax return. For example, if your arithmetic is incorrect, the IRS can correct it. If you do not provide a correct social

security number, the IRS can deny the EIC. These kinds of errors are called math or clerical errors.

Omission of Form 8862. If you are required to attach Form 8862 to your 2003 tax return, and you claim the EIC without attaching a completed Form 8862, your claim will be automatically denied. This is considered a math or clerical error. You will not be permitted to claim the EIC without a completed Form 8862.

Additional documentation may be required. You may have to provide the IRS with additional documentation before a refund relating to the EIC you claim is released to you, even if you attach a properly completed Form 8862 to your return.

Are You Prohibited From Claiming the EIC for a Period of Years?

If your EIC for any year after 1996 was denied and it was determined that your error was due to reckless or intentional disregard of the EIC rules, then you cannot claim the EIC for the next 2 years. If your error was due to fraud, then you cannot claim the EIC for the next 10 years. The date on which your EIC was denied and the date on which you file your 2003 return affect the years for which you are prohibited from claiming the EIC. The following examples demonstrate which years you are prohibited from claiming the EIC.

Examples:
Cannot claim EIC for 2 years

Example 3. You claimed the EIC on your 2002 tax return, which you filed in March 2003. In October 2003, the IRS denied your claim and determined that your error was due to reckless or intentional disregard of the EIC rules. You cannot claim the EIC for tax year 2003 or 2004. If you wish to claim the EIC on your return for 2005, you must complete and attach Form 8862 to your return for that year.

Example 4. The facts are the same as in *Example 3*, except that the IRS did not disallow your 2002 EIC until after you filed your 2003 return. You cannot claim the EIC for tax year 2004 or 2005. If you wish to claim the EIC on your return for 2006, you must complete and attach Form 8862 to your return for that year.

Example:
Cannot claim EIC for 10 years

Example 5. You claimed the EIC on your 2002 tax return, which you filed in February 2003. In December 2003, the IRS denied your claim and determined that your error was due to fraud. You cannot claim the EIC for tax years 2003 through 2012. If you wish to claim the EIC on your return for 2013, you must complete and attach Form 8862 to your return for that year.

Chapter 6. Advance Payment of EIC in 2004



You can receive part of your 2004 EIC in your paycheck by completing a form and giving it to your employer.

Do you expect to be eligible for the EIC this year (2004) and to have a qualifying child? If so, you can choose to get payments of the EIC in your paycheck now instead of waiting to get your EIC all at once in 2005 when you file your tax return for the year 2004. These payments are called advance EIC payments. This chapter explains how you may be able to get them this year and how to report them on your tax return.

Example:
How advance payment of EIC works

Example. In March of 2004, John and Tom worked together. Tom told John that he gets \$40 added to his paycheck each month because of the earned income credit. John would like to get an extra amount every month too. John needs to find out if he can claim the EIC in 2004. He should answer the questions in *Step 1* below and then, if he is eligible for advance EIC payments, go to *Step 2*.

Note. Chapters 1 through 5 of this publication are about the EIC you claim on your 2003 tax return. This chapter is about the EIC you **expect** to claim on your 2004 tax return.


Step 1 Find Out If You Are Eligible for Advance Payments of the EIC

Answer the following three questions to see if you are eligible for advance payments of the EIC.

Note. When the question says “expect,” you do not have to know that you will be able to answer “Yes” when you file your tax return. You can only make a best guess that you will be able to answer “Yes.”

Question 1. _____

Do you expect to have a qualifying child? (See the definition of qualifying child beginning on page 11.)

- Yes.**
Go to Question 2.
- No.** 
You cannot get advance payments of the EIC.

Question 2. _____

Do you expect that your adjusted gross income (AGI) and earned income will each be less than about \$30,300 (\$31,300 if you expect to file a joint return for 2004)?

- Yes.**
Go to Question 3.
- No.** 
You cannot get advance payments of the EIC.


Tip:
See the 2004 Form W-5 for the exact amounts. AGI and earned income are explained on pages 5, 9, and 20.



Tip:
 If you are a farm worker paid on a daily basis, your employer is not required to pay you advance EIC. Also, you cannot get advance EIC unless your wages are subject to federal income tax, social security tax, or Medicare tax withholding.

Question 3.

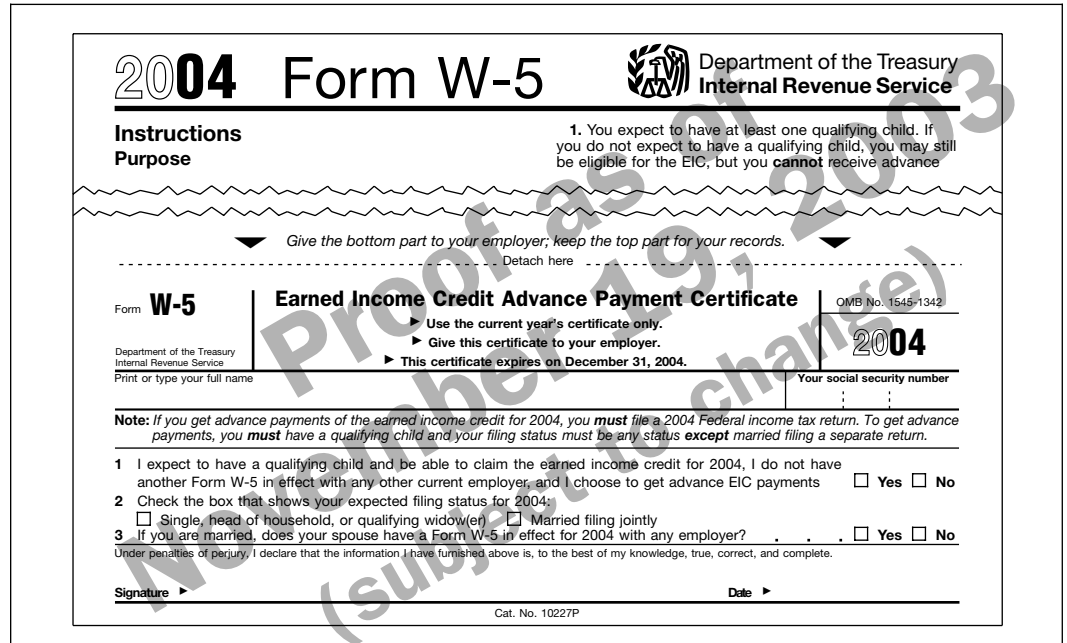
Do you expect to be eligible for the EIC in 2004 as explained in chapters 1, 2, 3, and 4?

- Yes.**
Go to *Step 2*.
- No.** 
You cannot get advance payments of the EIC.
- Not Sure.**
Read the rules in chapters 1, 2, 3, and 4 and/or the instructions for Form W-5. Then answer "Yes" or "No."

Note. The rules in chapters 1, 2, 3, and 4 are expected to be basically the same for 2004, except that you will be allowed to have more earned income and adjusted gross income, and possibly more investment income. The correct amounts for 2004 are in the instructions for the 2004 Form W-5.

Step 2 Complete Form W-5 and Give It to Your Employer

If you answered "Yes" to all the questions in *Step 1*, and you wish to get part of your EIC now, you must give your employer a Form W-5 for 2004. After you have read the instructions and completed Form W-5, give the lower part of the form to your employer. Keep the top part for your records. A part of a blank Form W-5 is shown here.



2004 Form W-5 Department of the Treasury Internal Revenue Service

Instructions
Purpose 1. You expect to have at least one qualifying child. If you do not expect to have a qualifying child, you may still be eligible for the EIC, but you **cannot** receive advance

Give the bottom part to your employer; keep the top part for your records. Detach here

Form **W-5** **Earned Income Credit Advance Payment Certificate** OMB No. 1545-1342
 Department of the Treasury Internal Revenue Service
 Print or type your full name Use the current year's certificate only. Give this certificate to your employer. This certificate expires on December 31, 2004. **2004**
 Your social security number

Note: If you get advance payments of the earned income credit for 2004, you **must** file a 2004 Federal income tax return. To get advance payments, you **must** have a qualifying child and your filing status must be any status **except** married filing a separate return.

1 I expect to have a qualifying child and be able to claim the earned income credit for 2004. I do not have another Form W-5 in effect with any other current employer, and I choose to get advance EIC payments Yes No
 2 Check the box that shows your expected filing status for 2004:
 Single, head of household, or qualifying widow(er) Married filing jointly
 3 If you are married, does your spouse have a Form W-5 in effect for 2004 with any employer? Yes No
 Under penalties of perjury, I declare that the information I have furnished above is, to the best of my knowledge, true, correct, and complete.

Signature _____ Date _____
 Cat. No. 10227P

You may get only part of your EIC during the year in advance payments. You will get the rest of the EIC you are entitled to when you file your tax return in 2005 and claim the EIC.

Frequently Asked Questions About Form W-5

1. How do I get Form W-5? Ask your employer for the form. Or, see *How To Get Tax Help* on page 46.

2. What should I do if I have more than one employer? Give a Form W-5 to only one employer.

3. Can I give my employer a Form W-5 if my spouse has given her employer a Form W-5? Yes.

4. How often do I have to file Form W-5? The 2004 Form W-5 you give to your employer is valid until December 31, 2004. If you expect to be eligible for EIC in 2005 and you want to receive advance payments, you must give your employer a new Form W-5 in 2005. Do this each year you expect to be eligible for the EIC.

5. What should I do if my situation changes after I give Form W-5 to my employer? Give your employer a new Form W-5 if any situation shown in the following table applies to you for 2004.

Table 3. **Changes to Advance EIC Status**

IF...	THEN you must give your employer a new Form W-5. To indicate your change, check...
You no longer have a qualifying child	“No” on line 1.
You are no longer eligible for the EIC	“No” on line 1.
You no longer want advance payments	“No” on line 1.
Your spouse files Form W-5 with his or her employer	“Yes” on line 3.

Step 3 How To Report Advance Payments of EIC

If you received advance payments of EIC in 2003, see *Important Reminders* on page 3 for information on reporting these payments.

If you receive advance payments of EIC in 2004, you must file a 2004 tax return (even if you would not otherwise have to file) to report the payments and claim any additional EIC. Box 9 of your Form W-2 will show the amount you received. See the instructions for Form 1040 or Form 1040A for the line number on which you report advance payments of EIC.

If you receive advance payments of EIC in 2004, and you later find out that you are not eligible for some or all of them, you still must report them on your tax return.



You cannot use Form 1040EZ to report your advance payments. You must file Form 1040 or Form 1040A.



Chapter 7. Detailed Examples



The next few pages contain four detailed examples (with a filled-in Schedule EIC and EIC Worksheets) that may be helpful if you have questions about claiming the EIC.

Example:

Cynthia and Jerry Grey have two children and are both employed.

Example 1. Cynthia and Jerry Grey

Cynthia and Jerry Grey have two children, Kirk, age 8, and Susanne, age 6. The children lived with Cynthia and Jerry for all of 2003. Cynthia earned wages of \$15,000 and Jerry had wages of \$10,000. The Greys received \$50 in interest on their savings account. They had no other income in 2003.

Cynthia and Jerry have the 2003 Form 1040A and instructions. They want to see if they qualify for the EIC, so they follow the steps in the instructions for line 41.

Step 1. The amount Cynthia and Jerry entered on Form 1040A, line 22, was \$25,050. They both have valid social security numbers (SSNs). They will file a joint return. Neither Cynthia nor Jerry is a nonresident alien. Therefore, the answers they give to the questions in *Step 1* allow them to proceed to *Step 2*.

Step 2. The only investment income the Greys have is their \$50 interest income. That amount is not more than \$2,600, so they answer “No” to the second question in *Step 2*. Their two children lived with them in 2003, so they go to *Step 3*.

Step 3. Cynthia and Jerry are not qualifying children of any one else, so they answer “No” to the first question in *Step 3*. The part of the EIC Table used in this example is on the next page. Their children, Kirk and Susanne, meet the relationship, residency, and age tests to be Cynthia and Jerry’s qualifying children, so Cynthia and Jerry answer “Yes” to the second question in *Step 3*. Kirk and Susanne are not qualifying children of anyone else, so Cynthia and Jerry answer “No” to the third question in this step. Both children have valid SSNs. Since Cynthia and Jerry do have qualifying children, they skip *Step 4* and go to *Step 5*.

Step 5. Cynthia and Jerry figure their earned income to be \$25,000, the amount of their combined wages. This is less than \$34,692, so they go to *Step 6* to figure their credit.

Step 6. Cynthia and Jerry want to figure their EIC themselves, so they complete the *EIC Worksheet* in the Form 1040A instructions (shown here).

Completing the EIC Worksheet. Cynthia and Jerry complete their worksheet as follows.

- 1) Cynthia and Jerry enter their total earned income (\$25,000) on line 1.
- 2) To find their credit, they go to the EIC Table (in the *Appendix* of this publication). The part of the EIC Table used in this example is on the next page. They find their earned income of \$25,000 in the range of \$25,000 to \$25,050. They follow this line across to the column *Two children* under *Married filing jointly* and find \$2,036. They enter \$2,036 on line 2.
- 3) They enter on line 3 their AGI (\$25,050) and see that it is different from the amount on line 1.
- 4) They look up \$25,050 in the EIC Table and enter the amount of \$2,025 on line 5.



- 5) They enter \$2,025 on line 6. This is the smaller of the line 2 amount (\$2,036) and the line 5 amount (\$2,025).
- 6) The Greys enter \$2,025 on line 41 of their Form 1040A. They will now complete Schedule EIC (shown on page 31) and attach it to their return. They will keep the *EIC Worksheet* for their records.

If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—		
24,950	25,000	0	750	1,836	0	909	2,046
25,000	25,050	0	742	1,825	0	901	2,036
25,050	25,100	0	734	1,815	0	893	2,025
25,100	25,150	0	726	1,804	0	885	2,015
25,150	25,200	0	718	1,794	0	877	2,004

Example:
 Sharon Rose does not have a qualifying child and her AGI is too high for her to claim the EIC.

Example 2. Sharon Rose

Sharon Rose is age 63 and retired. She received \$7,000 in social security benefits during the year and \$5,850 from a part-time job. She also received a taxable pension of \$5,400. Sharon had no other income. Her AGI on line 22 of Form 1040A is \$11,250 (\$5,850 + \$5,400).

Sharon is not married and lived alone in the United States for the entire year. She cannot be claimed as a dependent on anyone else's return. She does not have any investment income and does not have a qualifying child.

Sharon reads the steps for eligibility in her Form 1040A instructions. In *Step 1* she discovers that, because her AGI (\$11,250) is not less than \$11,230, she cannot take the EIC. She completes the rest of her Form 1040A and files it with the IRS.



Filled-in EIC Worksheet—Cynthia and Jerry Grey (Page references are to the Form 1040A Instructions)

Earned Income Credit (EIC) Worksheet—Line 41

Keep for Your Records



Part 1
All Filers

1. Enter your earned income from Step 5 on page 42. 1 25,000

2. Look up the amount on line 1 above in the EIC Table on pages 45–49 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 2 2,036

If line 2 is zero, You cannot take the credit. Put “No” to the left of the entry space for line 41.

3. Enter the amount from Form 1040A, line 22. 3 25,050

4. Are the amounts on lines 3 and 1 the same?

Yes. Skip line 5; enter the amount from line 2 on line 6.

No. Go to line 5.

Part 2
Filers Who Answered “No” on Line 4

5. If you have:

- No qualifying children, is the amount on line 3 less than \$6,250 (\$7,250 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 3 less than \$13,750 (\$14,750 if married filing jointly)?

Yes. Leave line 5 blank; enter the amount from line 2 on line 6.

No. Look up the amount on line 3 in the EIC Table on pages 45–49 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 5 2,025

Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

Part 3
Your Earned Income Credit

6. This is your earned income credit. 6 2,025

Enter this amount on Form 1040A, line 41.

Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC.

If your EIC for a year after 1996 was reduced or disallowed, see page 42 to find out if you must file Form 8862 to take the credit for 2003.



Filled-in Schedule EIC—Cynthia and Jerry Grey

SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service

Earned Income Credit
Qualifying Child Information

Complete and attach to Form 1040A or 1040
only if you have a qualifying child.



OMB No. 1545-0074

2003

Attachment
Sequence No. **43**

Name(s) shown on return

Cynthia and Jerry Grey

Your social security number

333 00 5555

Before you begin: See the instructions for Form 1040A, line 41, or Form 1040, line 63, to make sure that
(a) you can take the EIC and **(b)** you have a qualifying child.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2a agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

Qualifying Child Information

	Child 1		Child 2	
	First name	Last name	First name	Last name
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.	Kirk Grey		Susanne Grey	
2a Child's SSN The child must have an SSN as defined on page 43 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2003. If your child was born and died in 2003 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	123 00 5678		987 00 4321	
b Child's year of birth	Year 1 9 9 5 <i>If born after 1984, skip lines 3a and 3b; go to line 4.</i>		Year 1 9 9 7 <i>If born after 1984, skip lines 3a and 3b; go to line 4.</i>	
3 If the child was born before 1985—				
a Was the child under age 24 at the end of 2003 and a student?	<input type="checkbox"/> Yes. <i>Go to line 4.</i>	<input type="checkbox"/> No. <i>Continue</i>	<input type="checkbox"/> Yes. <i>Go to line 4.</i>	<input type="checkbox"/> No. <i>Continue</i>
b Was the child permanently and totally disabled during any part of 2003?	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.	<input type="checkbox"/> Yes. <i>Continue</i>	<input type="checkbox"/> No. The child is not a qualifying child.
4 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	son		daughter	
5 Number of months child lived with you in the United States during 2003				
• If the child lived with you for more than half of 2003 but less than 7 months, enter "7". • If the child was born or died in 2003 and your home was the child's home for the entire time he or she was alive during 2003, enter "12".	12 months <i>Do not enter more than 12 months.</i>		12 months <i>Do not enter more than 12 months.</i>	



You may also be able to take the additional child tax credit if your child **(a)** was under age 17 at the end of 2003, **(b)** is claimed as your dependent on line 6c of Form 1040A or Form 1040, **and (c)** is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 65 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2003



Example:

Steve and Linda Green have two children, a loss from a dairy farm, and a net capital gain from selling cows.

Example 3. Steve and Linda Green

Steve and Linda Green have two children, Amy, age 8, and Carol, age 10, who lived with them all year.

Steve owns and operates a dairy farm that had a loss of \$2,200 in 2003. Steve reports this loss on Schedule F and on Form 1040, line 18. Steve qualifies and chooses to use the optional method to figure net earnings, so he uses Section B of Schedule SE. He enters \$1,600 on lines 15 and 4b of Section B of Schedule SE. Steve figures self-employment tax of \$244. He deducts one-half of it (\$122) on line 28 (Form 1040).

Linda had wages of \$15,000, which she reports on Form 1040, line 7. She also received advance EIC payments of \$1,140, which she reports on Form 1040, line 58. In addition, she and Steve received \$200 in interest from a savings account.

Steve and Linda had a \$1,000 gain from the sale of stock and a \$3,000 gain from the sale of raised dairy cows they had held for 3 years. They report the \$3,000 gain on Form 4797, *Sales of Business Property*. They do not have any other sales to report on Form 4797, so they enter \$3,000 on line 7, column (g), of Form 4797 and on line 11, column (f), of Schedule D. (They have no prior year section 1231 losses.) They report their net capital gain of \$4,000 (\$1,000 + \$3,000) from Schedule D on Form 1040, line 13a.

The Greens read Publication 596 and find that they meet all the rules to claim the EIC. For example, they will file a joint return (*Rule 3*). Their investment income, figured on *Worksheet 1* (shown here), is \$1,200, which is less than \$2,600 (*Rule 6*). Both of their children are qualifying children (*Rule 8*). Also, their AGI of \$16,878 (\$15,000 + \$4,000 + \$200 - \$2,200 - \$122) is less than \$34,692 (*Rule 1*). They use *EIC Worksheet B* (shown here) to figure their EIC of \$3,752. They also complete Schedule EIC (not shown) and attach it to their Form 1040.



Filled-in Worksheet 1 for Steve and Linda Green

Worksheet 1: Investment Income If You Are Filing Form 1040



Interest and Dividends

- | | |
|---|---------------|
| 1. Enter any amount from Form 1040, line 8a. | 1. <u>200</u> |
| 2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b. | 2. _____ |
| 3. Enter any amount from Form 1040, line 9a. | 3. _____ |
| 4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (See instructions below for line 4 if your child received an Alaska Permanent Fund dividend.) | 4. _____ |

Capital Gain Net Income

- | | |
|--|-----------------|
| 5. Enter the amount from Form 1040, line 13a. If the amount on that line is a loss, enter zero. | 5. <u>4,000</u> |
| 6. Enter any gain from Form 4797, <i>Sales of Business Property</i> , line 7, column (g). If the amount on that line is a loss, enter zero. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9, column (g), instead.) | 6. <u>3,000</u> |
| 7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter zero.) | 7. <u>1,000</u> |

Royalties and Rental Income from Personal Property

- | | |
|---|-----------|
| 8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21. | 8. _____ |
| 9. Enter any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 33. | 9. _____ |
| 10. Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter zero.) | 10. _____ |

Passive Activities

- | | |
|--|------------------|
| 11. Enter the total of any net income from passive activities (included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), and 40). (See instructions below for lines 11 and 12.) | 11. _____ |
| 12. Enter the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), and 40). (See instructions below for lines 11 and 12.) | 12. _____ |
| 13. Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter zero.) | 13. _____ |
| 14. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your Investment Income. | 14. <u>1,200</u> |
| 15. Is the amount on line 14 more than \$2,600? | |
| <input type="checkbox"/> Yes. You cannot take the credit.
<input type="checkbox"/> No. Go to Question 5 in Step 2 of your Form 1040 instructions to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to <i>Rule 7</i> , next). | |

Instructions for line 4 if your child received Alaska Permanent Fund dividends. To figure the amount to enter on line 4, start with the amount on line 6 of Form 8814. Multiply that amount by a percentage that is equal to any Alaska Permanent Fund dividends divided by the total amount of interest and dividend income on lines 1a and 2 of Form 8814. Subtract the result from the amount on line 6 of Form 8814.

Example. Your 10-year-old child has taxable interest income of \$500 and an Alaska Permanent Fund dividend of \$2,000. You choose to report this income on your return. You enter \$500 on line 1a of Form 8814, \$2,000 on line 2, and \$2,500 on line 4. You enter \$1,000 on line 6 of Form 8814 and line 21 of Form 1040. You figure the amount to enter on line 4 of this worksheet as follows:
 $\$1,000 - (\$1,000 \times (\$2,000 \div \$2,500)) = \$200$.

Instructions for lines 11 and 12. In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.



Filled-in EIC Worksheet B—Steve and Linda Green (Page references are to the Form 1040 Instructions)

Worksheet **B**—Earned Income Credit (EIC)—Line 63

Keep for Your Records

Use this worksheet if you were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee.



- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- ✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

<p>Part 1</p> <p>Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE</p>	1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.	1a		
	b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.	+	1b	1,600
	c. Combine lines 1a and 1b.	=	1c	1,600
	d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	-	1d	122
	e. Subtract line 1d from 1c.	=	1e	1,478

<p>Part 2</p> <p>Self-Employed NOT Required To File Schedule SE</p> <p>For example, your net earnings from self-employment were less than \$400.</p>	2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.		
	a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a*.	2a	
	b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9*.	+	2b
c. Combine lines 2a and 2b.	=	2c	

*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.

<p>Part 3</p> <p>Statutory Employees Filing Schedule C or C-EZ</p>	3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	
--	---	---	--

<p>Part 4</p> <p>All Filers Using Worksheet B</p> <p>Note. If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.</p>	4a. Enter your earned income from Step 5 on page 46.	4a	15,000
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.	4b	16,478

If line 4b is zero or less, You cannot take the credit. Put "No" on the dotted line next to line 63.

5. If you have:

- 2 or more qualifying children, is line 4b less than \$33,692 (\$34,692 if married filing jointly)?
- 1 qualifying child, is line 4b less than \$29,666 (\$30,666 if married filing jointly)?
- No qualifying children, is line 4b less than \$11,230 (\$12,230 if married filing jointly)?

Yes. If you want the IRS to figure your credit, see page 46. *If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 50).*

No. You cannot take the credit. Put "No" on the dotted line next to line 63.



Filled-in EIC Worksheet B—Steve and Linda Green (Page references are to the Form 1040 Instructions)

Worksheet **B**—Continued from page 49

Keep for Your Records

Part 5

All Filers Using Worksheet B

6. Enter your total earned income from Part 4, line 4b, on page 49.

6	16,478
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7. Look up the amount on line 6 above in the EIC Table on pages 51–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

7	3,837
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If line 7 is zero, You cannot take the credit. Put “No” on the dotted line next to line 63.

8. Enter the amount from Form 1040, line 35.

8	16,878
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9. Are the amounts on lines 8 and 6 the same?
 Yes. Skip line 10; enter the amount from line 7 on line 11.
 No. Go to line 10.

Part 6

Filers Who Answered “No” on Line 9

10. If you have:
 • No qualifying children, is the amount on line 8 less than \$6,250 (\$7,250 if married filing jointly)?
 • 1 or more qualifying children, is the amount on line 8 less than \$13,750 (\$14,750 if married filing jointly)?
 Yes. Leave line 10 blank; enter the amount from line 7 on line 11.
 No. Look up the amount on line 8 in the EIC Table on pages 51–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

10	3,752
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 Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11.

Part 7

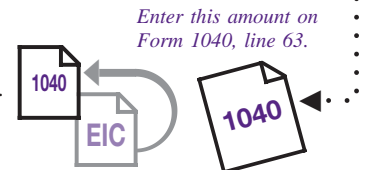
Your Earned Income Credit

11. **This is your earned income credit.**

11	3,752
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Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC.



Enter this amount on Form 1040, line 63.



If your EIC for a year after 1996 was reduced or disallowed, see page 46 to find out if you must file Form 8862 to take the credit for 2003.



Example:

Victor and Ida Brown have two children. Victor is a minister.

Example 4. Victor and Ida Brown

Victor and Ida Brown have two children, Kevin, age 15, and Ashley, age 14. The children lived with Victor and Ida for all of 2003. Ida earned wages of \$10,000 and Victor, a member of the clergy, received a salary of \$17,000. Victor also receives a housing allowance of \$500 a month (\$6,000 a year) from the church. The Browns received \$200 in interest on their savings account. They had no other income in 2003.

Victor does not have to pay income tax on his housing allowance but he does have to include it in net earnings from self-employment and pay self-employment tax on it. To figure his self-employment tax, he must complete Schedule SE (Form 1040). He completes Schedule SE and figures self-employment tax of \$3,250. He puts this figure on line 55 (Form 1040) and deducts \$1,625, one-half of his self-employment tax, on line 28 (Form 1040).

Victor and Ida read the Form 1040 instructions for line 63 and find that they meet all the rules to claim the EIC. For example, their AGI of \$25,575 (\$17,000 + \$10,000 + \$200 - \$1,625) is less than \$34,692 (*Step 1, question 1*). Their investment income (\$200 interest income from a savings account) is less than \$2,600 (*Step 2*). Both of their children are qualifying children (*Step 3, question 2*).

Completing EIC Worksheet B. Because Victor is a member of the clergy, the Browns use *EIC Worksheet B* in the Form 1040 instructions (shown later) to figure their earned income credit.

Part 1. Victor and Ida enter \$23,000 on line 1a. This amount, from Section B, line 3, of Victor's Schedule SE, consists of his \$17,000 salary plus his \$6,000 housing allowance. After completing lines 1a - 1d, they enter \$21,375 on line 1e.

Parts 2 and 3. They skip parts 2 and 3.

Part 4. On line 4a, they enter \$10,000. They figured this amount in *Step 5* of the Form 1040 instructions for line 63. They started with the amount on line 7 (Form 1040), \$27,000 (\$17,000 + \$10,000), and subtracted the amount on that line that was also reported on line 2 of Schedule SE, Victor's \$17,000 salary. On line 4b, they enter \$31,375 (\$21,375 + \$10,000). This is their **total earned income**. Since it is less than \$34,692, they go to Part 5 and enter \$31,375 on line 6.

Parts 5–7. They complete Parts 5 through 7 and figure their earned income credit of \$699. They enter this amount on line 63 of Form 1040 and put "Clergy" on the dotted line next to line 63.



Filled-in EIC Worksheet B—Victor and Ida Brown (Page references are to the Form 1040 Instructions)

Worksheet **B**—Earned Income Credit (EIC)—Line 63

Keep for Your Records

Use this worksheet if you were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee.



- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- ✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

<p>Part 1</p> <p>Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE</p>	1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.	1a	23,000	
	b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.	+	1b	
	c. Combine lines 1a and 1b.	=	1c	23,000
	d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	-	1d	1,625
	e. Subtract line 1d from 1c.	=	1e	21,375

<p>Part 2</p> <p>Self-Employed NOT Required To File Schedule SE</p> <p>For example, your net earnings from self-employment were less than \$400.</p>	2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.		
	a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a*.	2a	
	b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9*.	+	2b
c. Combine lines 2a and 2b.	=	2c	

*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.

<p>Part 3</p> <p>Statutory Employees Filing Schedule C or C-EZ</p>	3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3	
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<p>Part 4</p> <p>All Filers Using Worksheet B</p>	4a. Enter your earned income from Step 5 on page 46.	4a	10,000
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.	4b	31,375

Note. If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.

- If line 4b is zero or less, You cannot take the credit. Put "No" on the dotted line next to line 63.
5. If you have:
- 2 or more qualifying children, is line 4b less than \$33,692 (\$34,692 if married filing jointly)?
 - 1 qualifying child, is line 4b less than \$29,666 (\$30,666 if married filing jointly)?
 - No qualifying children, is line 4b less than \$11,230 (\$12,230 if married filing jointly)?
- Yes.** If you want the IRS to figure your credit, see page 46. *If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 50).*
- No.** You cannot take the credit. Put "No" on the dotted line next to line 63.

(Continued on page 50)



Filled-in EIC Worksheet B—Victor and Ida Brown (Page references are to the Form 1040 Instructions)

Worksheet **B**—Continued from page 49

Keep for Your Records

Part 5**All Filers Using Worksheet B**

6. Enter your total earned income from Part 4, line 4b, on page 49.

6	31,375
----------	--------

7. Look up the amount on line 6 above in the EIC Table on pages 51–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here.

7	699
----------	-----

If line 7 is zero,  You cannot take the credit. Put "No" on the dotted line next to line 63.

8. Enter the amount from Form 1040, line 35.

8	25,575
----------	--------

9. Are the amounts on lines 8 and 6 the same?

Yes. Skip line 10; enter the amount from line 7 on line 11.

No. Go to line 10.

Part 6**Filers Who Answered "No" on Line 9**

10. If you have:

- No qualifying children, is the amount on line 8 less than \$6,250 (\$7,250 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 8 less than \$13,750 (\$14,750 if married filing jointly)?

Yes. Leave line 10 blank; enter the amount from line 7 on line 11.

No. Look up the amount on line 8 in the EIC Table on pages 51–55 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11.

10	1,920
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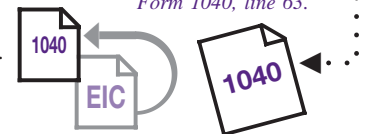
Part 7**Your Earned Income Credit**

11. **This is your earned income credit.**

11	699
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Reminder—

✓ If you have a qualifying child, complete and attach Schedule EIC.



Enter this amount on Form 1040, line 63.



If your EIC for a year after 1996 was reduced or disallowed, see page 46 to find out if you must file Form 8862 to take the credit for 2003.



Appendix

2003 Earned Income Credit (EIC) Table

Caution. This is not a tax table.

1. To find your credit, read down the "At least - But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

2. Then, go to the column that includes your filing status and the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

Example. If your filing status is single, you have one qualifying child, and the amount you are looking up from your EIC Worksheet is \$2,455, you would enter \$842.

If the amount you are looking up from the worksheet is—		And your filing status is—		
		Single, head of household, or qualifying widow(er) and you have—		
At least	But less than	No children	One child	Two children
2,400	2,450	186	825	970
2,450	2,500	189	842	990

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
At least	But less than	No children	One child	Two children	No children	One child	Two children	At least	But less than	No children	One child	Two children	No children	One child	Two children
\$1	\$50	\$2	\$9	\$10	\$2	\$9	\$10	3,000	3,050	231	1,029	1,210	231	1,029	1,210
50	100	6	26	30	6	26	30	3,050	3,100	235	1,046	1,230	235	1,046	1,230
100	150	10	43	50	10	43	50	3,100	3,150	239	1,063	1,250	239	1,063	1,250
150	200	13	60	70	13	60	70	3,150	3,200	243	1,080	1,270	243	1,080	1,270
200	250	17	77	90	17	77	90	3,200	3,250	247	1,097	1,290	247	1,097	1,290
250	300	21	94	110	21	94	110	3,250	3,300	251	1,114	1,310	251	1,114	1,310
300	350	25	111	130	25	111	130	3,300	3,350	254	1,131	1,330	254	1,131	1,330
350	400	29	128	150	29	128	150	3,350	3,400	258	1,148	1,350	258	1,148	1,350
400	450	33	145	170	33	145	170	3,400	3,450	262	1,165	1,370	262	1,165	1,370
450	500	36	162	190	36	162	190	3,450	3,500	266	1,182	1,390	266	1,182	1,390
500	550	40	179	210	40	179	210	3,500	3,550	270	1,199	1,410	270	1,199	1,410
550	600	44	196	230	44	196	230	3,550	3,600	273	1,216	1,430	273	1,216	1,430
600	650	48	213	250	48	213	250	3,600	3,650	277	1,233	1,450	277	1,233	1,450
650	700	52	230	270	52	230	270	3,650	3,700	281	1,250	1,470	281	1,250	1,470
700	750	55	247	290	55	247	290	3,700	3,750	285	1,267	1,490	285	1,267	1,490
750	800	59	264	310	59	264	310	3,750	3,800	289	1,284	1,510	289	1,284	1,510
800	850	63	281	330	63	281	330	3,800	3,850	293	1,301	1,530	293	1,301	1,530
850	900	67	298	350	67	298	350	3,850	3,900	296	1,318	1,550	296	1,318	1,550
900	950	71	315	370	71	315	370	3,900	3,950	300	1,335	1,570	300	1,335	1,570
950	1,000	75	332	390	75	332	390	3,950	4,000	304	1,352	1,590	304	1,352	1,590
1,000	1,050	78	349	410	78	349	410	4,000	4,050	308	1,369	1,610	308	1,369	1,610
1,050	1,100	82	366	430	82	366	430	4,050	4,100	312	1,386	1,630	312	1,386	1,630
1,100	1,150	86	383	450	86	383	450	4,100	4,150	316	1,403	1,650	316	1,403	1,650
1,150	1,200	90	400	470	90	400	470	4,150	4,200	319	1,420	1,670	319	1,420	1,670
1,200	1,250	94	417	490	94	417	490	4,200	4,250	323	1,437	1,690	323	1,437	1,690
1,250	1,300	98	434	510	98	434	510	4,250	4,300	327	1,454	1,710	327	1,454	1,710
1,300	1,350	101	451	530	101	451	530	4,300	4,350	331	1,471	1,730	331	1,471	1,730
1,350	1,400	105	468	550	105	468	550	4,350	4,400	335	1,488	1,750	335	1,488	1,750
1,400	1,450	109	485	570	109	485	570	4,400	4,450	339	1,505	1,770	339	1,505	1,770
1,450	1,500	113	502	590	113	502	590	4,450	4,500	342	1,522	1,790	342	1,522	1,790
1,500	1,550	117	519	610	117	519	610	4,500	4,550	346	1,539	1,810	346	1,539	1,810
1,550	1,600	120	536	630	120	536	630	4,550	4,600	350	1,556	1,830	350	1,556	1,830
1,600	1,650	124	553	650	124	553	650	4,600	4,650	354	1,573	1,850	354	1,573	1,850
1,650	1,700	128	570	670	128	570	670	4,650	4,700	358	1,590	1,870	358	1,590	1,870
1,700	1,750	132	587	690	132	587	690	4,700	4,750	361	1,607	1,890	361	1,607	1,890
1,750	1,800	136	604	710	136	604	710	4,750	4,800	365	1,624	1,910	365	1,624	1,910
1,800	1,850	140	621	730	140	621	730	4,800	4,850	369	1,641	1,930	369	1,641	1,930
1,850	1,900	143	638	750	143	638	750	4,850	4,900	373	1,658	1,950	373	1,658	1,950
1,900	1,950	147	655	770	147	655	770	4,900	4,950	377	1,675	1,970	377	1,675	1,970
1,950	2,000	151	672	790	151	672	790	4,950	5,000	382	1,692	1,990	382	1,692	1,990
2,000	2,050	155	689	810	155	689	810	5,000	5,050	382	1,709	2,010	382	1,709	2,010
2,050	2,100	159	706	830	159	706	830	5,050	5,100	382	1,726	2,030	382	1,726	2,030
2,100	2,150	163	723	850	163	723	850	5,100	5,150	382	1,743	2,050	382	1,743	2,050
2,150	2,200	166	740	870	166	740	870	5,150	5,200	382	1,760	2,070	382	1,760	2,070
2,200	2,250	170	757	890	170	757	890	5,200	5,250	382	1,777	2,090	382	1,777	2,090
2,250	2,300	174	774	910	174	774	910	5,250	5,300	382	1,794	2,110	382	1,794	2,110
2,300	2,350	178	791	930	178	791	930	5,300	5,350	382	1,811	2,130	382	1,811	2,130
2,350	2,400	182	808	950	182	808	950	5,350	5,400	382	1,828	2,150	382	1,828	2,150
2,400	2,450	186	825	970	186	825	970	5,400	5,450	382	1,845	2,170	382	1,845	2,170
2,450	2,500	189	842	990	189	842	990	5,450	5,500	382	1,862	2,190	382	1,862	2,190
2,500	2,550	193	859	1,010	193	859	1,010	5,500	5,550	382	1,879	2,210	382	1,879	2,210
2,550	2,600	197	876	1,030	197	876	1,030	5,550	5,600	382	1,896	2,230	382	1,896	2,230
2,600	2,650	201	893	1,050	201	893	1,050	5,600	5,650	382	1,913	2,250	382	1,913	2,250
2,650	2,700	205	910	1,070	205	910	1,070	5,650	5,700	382	1,930	2,270	382	1,930	2,270
2,700	2,750	208	927	1,090	208	927	1,090	5,700	5,750	382	1,947	2,290	382	1,947	2,290
2,750	2,800	212	944	1,110	212	944	1,110	5,750	5,800	382	1,964	2,310	382	1,964	2,310
2,800	2,850	216	961	1,130	216	961	1,130	5,800	5,850	382	1,981	2,330	382	1,981	2,330
2,850	2,900	220	978	1,150	220	978	1,150	5,850	5,900	382	1,998	2,350	382	1,998	2,350
2,900	2,950	224	995	1,170	224	995	1,170	5,900	5,950	382	2,015	2,370	382	2,015	2,370
2,950	3,000	228	1,012	1,190	228	1,012	1,190	5,950	6,000	382	2,032	2,390	382	2,032	2,390

(Continued)

2003 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
6,000	6,050	382	2,049	2,410	382	2,049	2,410	9,500	9,550	130	2,547	3,810	207	2,547	3,810
6,050	6,100	382	2,066	2,430	382	2,066	2,430	9,550	9,600	127	2,547	3,830	203	2,547	3,830
6,100	6,150	382	2,083	2,450	382	2,083	2,450	9,600	9,650	123	2,547	3,850	199	2,547	3,850
6,150	6,200	382	2,100	2,470	382	2,100	2,470	9,650	9,700	119	2,547	3,870	195	2,547	3,870
6,200	6,250	382	2,117	2,490	382	2,117	2,490	9,700	9,750	115	2,547	3,890	192	2,547	3,890
6,250	6,300	379	2,134	2,510	382	2,134	2,510	9,750	9,800	111	2,547	3,910	188	2,547	3,910
6,300	6,350	375	2,151	2,530	382	2,151	2,530	9,800	9,850	107	2,547	3,930	184	2,547	3,930
6,350	6,400	371	2,168	2,550	382	2,168	2,550	9,850	9,900	104	2,547	3,950	180	2,547	3,950
6,400	6,450	368	2,185	2,570	382	2,185	2,570	9,900	9,950	100	2,547	3,970	176	2,547	3,970
6,450	6,500	364	2,202	2,590	382	2,202	2,590	9,950	10,000	96	2,547	3,990	173	2,547	3,990
6,500	6,550	360	2,219	2,610	382	2,219	2,610	10,000	10,050	92	2,547	4,010	169	2,547	4,010
6,550	6,600	356	2,236	2,630	382	2,236	2,630	10,050	10,100	88	2,547	4,030	165	2,547	4,030
6,600	6,650	352	2,253	2,650	382	2,253	2,650	10,100	10,150	85	2,547	4,050	161	2,547	4,050
6,650	6,700	348	2,270	2,670	382	2,270	2,670	10,150	10,200	81	2,547	4,070	157	2,547	4,070
6,700	6,750	345	2,287	2,690	382	2,287	2,690	10,200	10,250	77	2,547	4,090	153	2,547	4,090
6,750	6,800	341	2,304	2,710	382	2,304	2,710	10,250	10,300	73	2,547	4,110	150	2,547	4,110
6,800	6,850	337	2,321	2,730	382	2,321	2,730	10,300	10,350	69	2,547	4,130	146	2,547	4,130
6,850	6,900	333	2,338	2,750	382	2,338	2,750	10,350	10,400	65	2,547	4,150	142	2,547	4,150
6,900	6,950	329	2,355	2,770	382	2,355	2,770	10,400	10,450	62	2,547	4,170	138	2,547	4,170
6,950	7,000	326	2,372	2,790	382	2,372	2,790	10,450	10,500	58	2,547	4,190	134	2,547	4,190
7,000	7,050	322	2,389	2,810	382	2,389	2,810	10,500	10,550	54	2,547	4,204	130	2,547	4,204
7,050	7,100	318	2,406	2,830	382	2,406	2,830	10,550	10,600	50	2,547	4,204	127	2,547	4,204
7,100	7,150	314	2,423	2,850	382	2,423	2,850	10,600	10,650	46	2,547	4,204	123	2,547	4,204
7,150	7,200	310	2,440	2,870	382	2,440	2,870	10,650	10,700	42	2,547	4,204	119	2,547	4,204
7,200	7,250	306	2,457	2,890	382	2,457	2,890	10,700	10,750	39	2,547	4,204	115	2,547	4,204
7,250	7,300	303	2,474	2,910	379	2,474	2,910	10,750	10,800	35	2,547	4,204	111	2,547	4,204
7,300	7,350	299	2,491	2,930	375	2,491	2,930	10,800	10,850	31	2,547	4,204	107	2,547	4,204
7,350	7,400	295	2,508	2,950	371	2,508	2,950	10,850	10,900	27	2,547	4,204	104	2,547	4,204
7,400	7,450	291	2,525	2,970	368	2,525	2,970	10,900	10,950	23	2,547	4,204	100	2,547	4,204
7,450	7,500	287	2,542	2,990	364	2,542	2,990	10,950	11,000	20	2,547	4,204	96	2,547	4,204
7,500	7,550	283	2,547	3,010	360	2,547	3,010	11,000	11,050	16	2,547	4,204	92	2,547	4,204
7,550	7,600	280	2,547	3,030	356	2,547	3,030	11,050	11,100	12	2,547	4,204	88	2,547	4,204
7,600	7,650	276	2,547	3,050	352	2,547	3,050	11,100	11,150	8	2,547	4,204	85	2,547	4,204
7,650	7,700	272	2,547	3,070	348	2,547	3,070	11,150	11,200	4	2,547	4,204	81	2,547	4,204
7,700	7,750	268	2,547	3,090	345	2,547	3,090	11,200	11,250	*	2,547	4,204	77	2,547	4,204
7,750	7,800	264	2,547	3,110	341	2,547	3,110	11,250	11,300	0	2,547	4,204	73	2,547	4,204
7,800	7,850	260	2,547	3,130	337	2,547	3,130	11,300	11,350	0	2,547	4,204	69	2,547	4,204
7,850	7,900	257	2,547	3,150	333	2,547	3,150	11,350	11,400	0	2,547	4,204	65	2,547	4,204
7,900	7,950	253	2,547	3,170	329	2,547	3,170	11,400	11,450	0	2,547	4,204	62	2,547	4,204
7,950	8,000	249	2,547	3,190	326	2,547	3,190	11,450	11,500	0	2,547	4,204	58	2,547	4,204
8,000	8,050	245	2,547	3,210	322	2,547	3,210	11,500	11,550	0	2,547	4,204	54	2,547	4,204
8,050	8,100	241	2,547	3,230	318	2,547	3,230	11,550	11,600	0	2,547	4,204	50	2,547	4,204
8,100	8,150	238	2,547	3,250	314	2,547	3,250	11,600	11,650	0	2,547	4,204	46	2,547	4,204
8,150	8,200	234	2,547	3,270	310	2,547	3,270	11,650	11,700	0	2,547	4,204	42	2,547	4,204
8,200	8,250	230	2,547	3,290	306	2,547	3,290	11,700	11,750	0	2,547	4,204	39	2,547	4,204
8,250	8,300	226	2,547	3,310	303	2,547	3,310	11,750	11,800	0	2,547	4,204	35	2,547	4,204
8,300	8,350	222	2,547	3,330	299	2,547	3,330	11,800	11,850	0	2,547	4,204	31	2,547	4,204
8,350	8,400	218	2,547	3,350	295	2,547	3,350	11,850	11,900	0	2,547	4,204	27	2,547	4,204
8,400	8,450	215	2,547	3,370	291	2,547	3,370	11,900	11,950	0	2,547	4,204	23	2,547	4,204
8,450	8,500	211	2,547	3,390	287	2,547	3,390	11,950	12,000	0	2,547	4,204	20	2,547	4,204
8,500	8,550	207	2,547	3,410	283	2,547	3,410	12,000	12,050	0	2,547	4,204	16	2,547	4,204
8,550	8,600	203	2,547	3,430	280	2,547	3,430	12,050	12,100	0	2,547	4,204	12	2,547	4,204
8,600	8,650	199	2,547	3,450	276	2,547	3,450	12,100	12,150	0	2,547	4,204	8	2,547	4,204
8,650	8,700	195	2,547	3,470	272	2,547	3,470	12,150	12,200	0	2,547	4,204	4	2,547	4,204
8,700	8,750	192	2,547	3,490	268	2,547	3,490	12,200	12,250	0	2,547	4,204	*	2,547	4,204
8,750	8,800	188	2,547	3,510	264	2,547	3,510	12,250	13,750	0	2,547	4,204	0	2,547	4,204
8,800	8,850	184	2,547	3,530	260	2,547	3,530	13,750	13,800	0	2,539	4,195	0	2,547	4,204
8,850	8,900	180	2,547	3,550	257	2,547	3,550	13,800	13,850	0	2,531	4,184	0	2,547	4,204
8,900	8,950	176	2,547	3,570	253	2,547	3,570	13,850	13,900	0	2,523	4,173	0	2,547	4,204
8,950	9,000	173	2,547	3,590	249	2,547	3,590	13,900	13,950	0	2,515	4,163	0	2,547	4,204
9,000	9,050	169	2,547	3,610	245	2,547	3,610	13,950	14,000	0	2,507	4,152	0	2,547	4,204
9,050	9,100	165	2,547	3,630	241	2,547	3,630	14,000	14,050	0	2,499	4,142	0	2,547	4,204
9,100	9,150	161	2,547	3,650	238	2,547	3,650	14,050	14,100	0	2,491	4,131	0	2,547	4,204
9,150	9,200	157	2,547	3,670	234	2,547	3,670	14,100	14,150	0	2,483	4,121	0	2,547	4,204
9,200	9,250	153	2,547	3,690	230	2,547	3,690	14,150	14,200	0	2,475	4,110	0	2,547	4,204
9,250	9,300	150	2,547	3,710	226	2,547	3,710	14,200	14,250	0	2,467	4,100	0	2,547	4,204
9,300	9,350	146	2,547	3,730	222	2,547	3,730	14,250	14,300	0	2,460	4,089	0	2,547	4,204
9,350	9,400	142	2,547	3,750	218	2,547	3,750	14,300	14,350	0	2,452	4,079	0	2,547	4,204
9,400	9,450														

2003 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
14,450	14,500	0	2,428	4,047	0	2,547	4,204	17,950	18,000	0	1,868	3,310	0	2,028	3,521
14,500	14,550	0	2,420	4,037	0	2,547	4,204	18,000	18,050	0	1,860	3,299	0	2,020	3,510
14,550	14,600	0	2,412	4,026	0	2,547	4,204	18,050	18,100	0	1,852	3,289	0	2,012	3,500
14,600	14,650	0	2,404	4,016	0	2,547	4,204	18,100	18,150	0	1,844	3,278	0	2,004	3,489
14,650	14,700	0	2,396	4,005	0	2,547	4,204	18,150	18,200	0	1,836	3,268	0	1,996	3,478
14,700	14,750	0	2,388	3,994	0	2,547	4,204	18,200	18,250	0	1,828	3,257	0	1,988	3,468
14,750	14,800	0	2,380	3,984	0	2,539	4,195	18,250	18,300	0	1,820	3,247	0	1,980	3,457
14,800	14,850	0	2,372	3,973	0	2,531	4,184	18,300	18,350	0	1,812	3,236	0	1,972	3,447
14,850	14,900	0	2,364	3,963	0	2,523	4,173	18,350	18,400	0	1,804	3,226	0	1,964	3,436
14,900	14,950	0	2,356	3,952	0	2,515	4,163	18,400	18,450	0	1,796	3,215	0	1,956	3,426
14,950	15,000	0	2,348	3,942	0	2,507	4,152	18,450	18,500	0	1,788	3,205	0	1,948	3,415
15,000	15,050	0	2,340	3,931	0	2,499	4,142	18,500	18,550	0	1,780	3,194	0	1,940	3,405
15,050	15,100	0	2,332	3,921	0	2,491	4,131	18,550	18,600	0	1,772	3,184	0	1,932	3,394
15,100	15,150	0	2,324	3,910	0	2,483	4,121	18,600	18,650	0	1,764	3,173	0	1,924	3,384
15,150	15,200	0	2,316	3,900	0	2,475	4,110	18,650	18,700	0	1,756	3,163	0	1,916	3,373
15,200	15,250	0	2,308	3,889	0	2,467	4,100	18,700	18,750	0	1,748	3,152	0	1,908	3,363
15,250	15,300	0	2,300	3,879	0	2,460	4,089	18,750	18,800	0	1,740	3,142	0	1,900	3,352
15,300	15,350	0	2,292	3,868	0	2,452	4,079	18,800	18,850	0	1,732	3,131	0	1,892	3,342
15,350	15,400	0	2,284	3,858	0	2,444	4,068	18,850	18,900	0	1,724	3,120	0	1,884	3,331
15,400	15,450	0	2,276	3,847	0	2,436	4,058	18,900	18,950	0	1,716	3,110	0	1,876	3,321
15,450	15,500	0	2,268	3,837	0	2,428	4,047	18,950	19,000	0	1,708	3,099	0	1,868	3,310
15,500	15,550	0	2,260	3,826	0	2,420	4,037	19,000	19,050	0	1,700	3,089	0	1,860	3,299
15,550	15,600	0	2,252	3,815	0	2,412	4,026	19,050	19,100	0	1,692	3,078	0	1,852	3,289
15,600	15,650	0	2,244	3,805	0	2,404	4,016	19,100	19,150	0	1,684	3,068	0	1,844	3,278
15,650	15,700	0	2,236	3,794	0	2,396	4,005	19,150	19,200	0	1,676	3,057	0	1,836	3,268
15,700	15,750	0	2,228	3,784	0	2,388	3,994	19,200	19,250	0	1,668	3,047	0	1,828	3,257
15,750	15,800	0	2,220	3,773	0	2,380	3,984	19,250	19,300	0	1,661	3,036	0	1,820	3,247
15,800	15,850	0	2,212	3,763	0	2,372	3,973	19,300	19,350	0	1,653	3,026	0	1,812	3,236
15,850	15,900	0	2,204	3,752	0	2,364	3,963	19,350	19,400	0	1,645	3,015	0	1,804	3,226
15,900	15,950	0	2,196	3,742	0	2,356	3,952	19,400	19,450	0	1,637	3,005	0	1,796	3,215
15,950	16,000	0	2,188	3,731	0	2,348	3,942	19,450	19,500	0	1,629	2,994	0	1,788	3,205
16,000	16,050	0	2,180	3,721	0	2,340	3,931	19,500	19,550	0	1,621	2,984	0	1,780	3,194
16,050	16,100	0	2,172	3,710	0	2,332	3,921	19,550	19,600	0	1,613	2,973	0	1,772	3,184
16,100	16,150	0	2,164	3,700	0	2,324	3,910	19,600	19,650	0	1,605	2,963	0	1,764	3,173
16,150	16,200	0	2,156	3,689	0	2,316	3,900	19,650	19,700	0	1,597	2,952	0	1,756	3,163
16,200	16,250	0	2,148	3,679	0	2,308	3,889	19,700	19,750	0	1,589	2,941	0	1,748	3,152
16,250	16,300	0	2,140	3,668	0	2,300	3,879	19,750	19,800	0	1,581	2,931	0	1,740	3,142
16,300	16,350	0	2,132	3,657	0	2,292	3,868	19,800	19,850	0	1,573	2,920	0	1,732	3,131
16,350	16,400	0	2,124	3,647	0	2,284	3,858	19,850	19,900	0	1,565	2,910	0	1,724	3,120
16,400	16,450	0	2,116	3,636	0	2,276	3,847	19,900	19,950	0	1,557	2,899	0	1,716	3,110
16,450	16,500	0	2,108	3,626	0	2,268	3,837	19,950	20,000	0	1,549	2,889	0	1,708	3,099
16,500	16,550	0	2,100	3,615	0	2,260	3,826	20,000	20,050	0	1,541	2,878	0	1,700	3,089
16,550	16,600	0	2,092	3,605	0	2,252	3,815	20,050	20,100	0	1,533	2,868	0	1,692	3,078
16,600	16,650	0	2,084	3,594	0	2,244	3,805	20,100	20,150	0	1,525	2,857	0	1,684	3,068
16,650	16,700	0	2,076	3,584	0	2,236	3,794	20,150	20,200	0	1,517	2,847	0	1,676	3,057
16,700	16,750	0	2,068	3,573	0	2,228	3,784	20,200	20,250	0	1,509	2,836	0	1,668	3,047
16,750	16,800	0	2,060	3,563	0	2,220	3,773	20,250	20,300	0	1,501	2,826	0	1,661	3,036
16,800	16,850	0	2,052	3,552	0	2,212	3,763	20,300	20,350	0	1,493	2,815	0	1,653	3,026
16,850	16,900	0	2,044	3,542	0	2,204	3,752	20,350	20,400	0	1,485	2,805	0	1,645	3,015
16,900	16,950	0	2,036	3,531	0	2,196	3,742	20,400	20,450	0	1,477	2,794	0	1,637	3,005
16,950	17,000	0	2,028	3,521	0	2,188	3,731	20,450	20,500	0	1,469	2,784	0	1,629	2,994
17,000	17,050	0	2,020	3,510	0	2,180	3,721	20,500	20,550	0	1,461	2,773	0	1,621	2,984
17,050	17,100	0	2,012	3,500	0	2,172	3,710	20,550	20,600	0	1,453	2,762	0	1,613	2,973
17,100	17,150	0	2,004	3,489	0	2,164	3,700	20,600	20,650	0	1,445	2,752	0	1,605	2,963
17,150	17,200	0	1,996	3,478	0	2,156	3,689	20,650	20,700	0	1,437	2,741	0	1,597	2,952
17,200	17,250	0	1,988	3,468	0	2,148	3,679	20,700	20,750	0	1,429	2,731	0	1,589	2,941
17,250	17,300	0	1,980	3,457	0	2,140	3,668	20,750	20,800	0	1,421	2,720	0	1,581	2,931
17,300	17,350	0	1,972	3,447	0	2,132	3,657	20,800	20,850	0	1,413	2,710	0	1,573	2,920
17,350	17,400	0	1,964	3,436	0	2,124	3,647	20,850	20,900	0	1,405	2,699	0	1,565	2,910
17,400	17,450	0	1,956	3,426	0	2,116	3,636	20,900	20,950	0	1,397	2,689	0	1,557	2,899
17,450	17,500	0	1,948	3,415	0	2,108	3,626	20,950	21,000	0	1,389	2,678	0	1,549	2,889
17,500	17,550	0	1,940	3,405	0	2,100	3,615	21,000	21,050	0	1,381	2,668	0	1,541	2,878
17,550	17,600	0	1,932	3,394	0	2,092	3,605	21,050	21,100	0	1,373	2,657	0	1,533	2,868
17,600	17,650	0	1,924	3,384	0	2,084	3,594	21,100	21,150	0	1,365	2,647	0	1,525	2,857
17,650	17,700	0	1,916	3,373	0	2,076	3,584	21,150	21,200	0	1,357	2,636	0	1,517	2,847
17,700	17,750	0	1,908	3,363	0	2,068	3,573	21,200	21,250	0	1,349	2,626	0	1,509	2,836
17,750	17,800	0	1,900	3,352	0	2,060	3,563	21,250	21,300	0	1,341	2,615	0	1,501	2,826
17,800	17,850	0	1,892	3,342	0	2,052	3,552	21,300	21,350	0	1,333	2,604	0	1,493	2,815
17,850	17,900	0	1,884	3,331	0	2,044	3,542	21,350	21,400	0	1,325	2,594	0	1,485	2,805
17,900	17,950	0	1,876	3,321											

2003 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
21,450	21,500	0	1,309	2,573	0	1,469	2,784	24,950	25,000	0	750	1,836	0	909	2,046
21,500	21,550	0	1,301	2,562	0	1,461	2,773	25,000	25,050	0	742	1,825	0	901	2,036
21,550	21,600	0	1,293	2,552	0	1,453	2,762	25,050	25,100	0	734	1,815	0	893	2,025
21,600	21,650	0	1,285	2,541	0	1,445	2,752	25,100	25,150	0	726	1,804	0	885	2,015
21,650	21,700	0	1,277	2,531	0	1,437	2,741	25,150	25,200	0	718	1,794	0	877	2,004
21,700	21,750	0	1,269	2,520	0	1,429	2,731	25,200	25,250	0	710	1,783	0	869	1,994
21,750	21,800	0	1,261	2,510	0	1,421	2,720	25,250	25,300	0	702	1,773	0	862	1,983
21,800	21,850	0	1,253	2,499	0	1,413	2,710	25,300	25,350	0	694	1,762	0	854	1,973
21,850	21,900	0	1,245	2,489	0	1,405	2,699	25,350	25,400	0	686	1,752	0	846	1,962
21,900	21,950	0	1,237	2,478	0	1,397	2,689	25,400	25,450	0	678	1,741	0	838	1,952
21,950	22,000	0	1,229	2,468	0	1,389	2,678	25,450	25,500	0	670	1,731	0	830	1,941
22,000	22,050	0	1,221	2,457	0	1,381	2,668	25,500	25,550	0	662	1,720	0	822	1,931
22,050	22,100	0	1,213	2,447	0	1,373	2,657	25,550	25,600	0	654	1,709	0	814	1,920
22,100	22,150	0	1,205	2,436	0	1,365	2,647	25,600	25,650	0	646	1,699	0	806	1,910
22,150	22,200	0	1,197	2,425	0	1,357	2,636	25,650	25,700	0	638	1,688	0	798	1,899
22,200	22,250	0	1,189	2,415	0	1,349	2,626	25,700	25,750	0	630	1,678	0	790	1,888
22,250	22,300	0	1,181	2,404	0	1,341	2,615	25,750	25,800	0	622	1,667	0	782	1,878
22,300	22,350	0	1,173	2,394	0	1,333	2,604	25,800	25,850	0	614	1,657	0	774	1,867
22,350	22,400	0	1,165	2,383	0	1,325	2,594	25,850	25,900	0	606	1,646	0	766	1,857
22,400	22,450	0	1,157	2,373	0	1,317	2,583	25,900	25,950	0	598	1,636	0	758	1,846
22,450	22,500	0	1,149	2,362	0	1,309	2,573	25,950	26,000	0	590	1,625	0	750	1,836
22,500	22,550	0	1,141	2,352	0	1,301	2,562	26,000	26,050	0	582	1,615	0	742	1,825
22,550	22,600	0	1,133	2,341	0	1,293	2,552	26,050	26,100	0	574	1,604	0	734	1,815
22,600	22,650	0	1,125	2,331	0	1,285	2,541	26,100	26,150	0	566	1,594	0	726	1,804
22,650	22,700	0	1,117	2,320	0	1,277	2,531	26,150	26,200	0	558	1,583	0	718	1,794
22,700	22,750	0	1,109	2,310	0	1,269	2,520	26,200	26,250	0	550	1,573	0	710	1,783
22,750	22,800	0	1,101	2,299	0	1,261	2,510	26,250	26,300	0	542	1,562	0	702	1,773
22,800	22,850	0	1,093	2,289	0	1,253	2,499	26,300	26,350	0	534	1,551	0	694	1,762
22,850	22,900	0	1,085	2,278	0	1,245	2,489	26,350	26,400	0	526	1,541	0	686	1,752
22,900	22,950	0	1,077	2,268	0	1,237	2,478	26,400	26,450	0	518	1,530	0	678	1,741
22,950	23,000	0	1,069	2,257	0	1,229	2,468	26,450	26,500	0	510	1,520	0	670	1,731
23,000	23,050	0	1,061	2,246	0	1,221	2,457	26,500	26,550	0	502	1,509	0	662	1,720
23,050	23,100	0	1,053	2,236	0	1,213	2,447	26,550	26,600	0	494	1,499	0	654	1,709
23,100	23,150	0	1,045	2,225	0	1,205	2,436	26,600	26,650	0	486	1,488	0	646	1,699
23,150	23,200	0	1,037	2,215	0	1,197	2,425	26,650	26,700	0	478	1,478	0	638	1,688
23,200	23,250	0	1,029	2,204	0	1,189	2,415	26,700	26,750	0	470	1,467	0	630	1,678
23,250	23,300	0	1,021	2,194	0	1,181	2,404	26,750	26,800	0	462	1,457	0	622	1,667
23,300	23,350	0	1,013	2,183	0	1,173	2,394	26,800	26,850	0	454	1,446	0	614	1,657
23,350	23,400	0	1,005	2,173	0	1,165	2,383	26,850	26,900	0	446	1,436	0	606	1,646
23,400	23,450	0	997	2,162	0	1,157	2,373	26,900	26,950	0	438	1,425	0	598	1,636
23,450	23,500	0	989	2,152	0	1,149	2,362	26,950	27,000	0	430	1,415	0	590	1,625
23,500	23,550	0	981	2,141	0	1,141	2,352	27,000	27,050	0	422	1,404	0	582	1,615
23,550	23,600	0	973	2,131	0	1,133	2,341	27,050	27,100	0	414	1,394	0	574	1,604
23,600	23,650	0	965	2,120	0	1,125	2,331	27,100	27,150	0	406	1,383	0	566	1,594
23,650	23,700	0	957	2,110	0	1,117	2,320	27,150	27,200	0	398	1,372	0	558	1,583
23,700	23,750	0	949	2,099	0	1,109	2,310	27,200	27,250	0	390	1,362	0	550	1,573
23,750	23,800	0	941	2,089	0	1,101	2,299	27,250	27,300	0	382	1,351	0	542	1,562
23,800	23,850	0	933	2,078	0	1,093	2,289	27,300	27,350	0	374	1,341	0	534	1,551
23,850	23,900	0	925	2,067	0	1,085	2,278	27,350	27,400	0	366	1,330	0	526	1,541
23,900	23,950	0	917	2,057	0	1,077	2,268	27,400	27,450	0	358	1,320	0	518	1,530
23,950	24,000	0	909	2,046	0	1,069	2,257	27,450	27,500	0	350	1,309	0	510	1,520
24,000	24,050	0	901	2,036	0	1,061	2,246	27,500	27,550	0	342	1,299	0	502	1,509
24,050	24,100	0	893	2,025	0	1,053	2,236	27,550	27,600	0	334	1,288	0	494	1,499
24,100	24,150	0	885	2,015	0	1,045	2,225	27,600	27,650	0	326	1,278	0	486	1,488
24,150	24,200	0	877	2,004	0	1,037	2,215	27,650	27,700	0	318	1,267	0	478	1,478
24,200	24,250	0	869	1,994	0	1,029	2,204	27,700	27,750	0	310	1,257	0	470	1,467
24,250	24,300	0	862	1,983	0	1,021	2,194	27,750	27,800	0	302	1,246	0	462	1,457
24,300	24,350	0	854	1,973	0	1,013	2,183	27,800	27,850	0	294	1,236	0	454	1,446
24,350	24,400	0	846	1,962	0	1,005	2,173	27,850	27,900	0	286	1,225	0	446	1,436
24,400	24,450	0	838	1,952	0	997	2,162	27,900	27,950	0	278	1,215	0	438	1,425
24,450	24,500	0	830	1,941	0	989	2,152	27,950	28,000	0	270	1,204	0	430	1,415
24,500	24,550	0	822	1,931	0	981	2,141	28,000	28,050	0	262	1,193	0	422	1,404
24,550	24,600	0	814	1,920	0	973	2,131	28,050	28,100	0	254	1,183	0	414	1,394
24,600	24,650	0	806	1,910	0	965	2,120	28,100	28,150	0	246	1,172	0	406	1,383
24,650	24,700	0	798	1,899	0	957	2,110	28,150	28,200	0	238	1,162	0	398	1,372
24,700	24,750	0	790	1,888	0	949	2,099	28,200	28,250	0	230	1,151	0	390	1,362
24,750	24,800	0	782	1,878	0	941	2,089	28,250	28,300	0	222	1,141	0	382	1,351
24,800	24,850	0	774	1,867	0	933	2,078	28,300	28,350	0	214	1,130	0	374	1,341
24,850	24,900	0	766	1,857	0	925	2,067	28,350	28,400	0	206	1,120	0	366	1,330
24,900	24,950	0	758	1,846	0	917	2,057	28,400	28,450	0	198	1,109	0	358	1,320

(Continued)

2003 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
28,450	28,500	0	190	1,099	0	350	1,309	31,700	31,750	0	0	414	0	0	625
28,500	28,550	0	182	1,088	0	342	1,299	31,750	31,800	0	0	404	0	0	614
28,550	28,600	0	174	1,078	0	334	1,288	31,800	31,850	0	0	393	0	0	604
28,600	28,650	0	166	1,067	0	326	1,278	31,850	31,900	0	0	383	0	0	593
28,650	28,700	0	158	1,057	0	318	1,267	31,900	31,950	0	0	372	0	0	583
28,700	28,750	0	150	1,046	0	310	1,257	31,950	32,000	0	0	362	0	0	572
28,750	28,800	0	142	1,036	0	302	1,246	32,000	32,050	0	0	351	0	0	562
28,800	28,850	0	134	1,025	0	294	1,236	32,050	32,100	0	0	341	0	0	551
28,850	28,900	0	126	1,014	0	286	1,225	32,100	32,150	0	0	330	0	0	541
28,900	28,950	0	118	1,004	0	278	1,215	32,150	32,200	0	0	319	0	0	530
28,950	29,000	0	110	993	0	270	1,204	32,200	32,250	0	0	309	0	0	520
29,000	29,050	0	102	983	0	262	1,193	32,250	32,300	0	0	298	0	0	509
29,050	29,100	0	94	972	0	254	1,183	32,300	32,350	0	0	288	0	0	498
29,100	29,150	0	86	962	0	246	1,172	32,350	32,400	0	0	277	0	0	488
29,150	29,200	0	78	951	0	238	1,162	32,400	32,450	0	0	267	0	0	477
29,200	29,250	0	70	941	0	230	1,151	32,450	32,500	0	0	256	0	0	467
29,250	29,300	0	63	930	0	222	1,141	32,500	32,550	0	0	246	0	0	456
29,300	29,350	0	55	920	0	214	1,130	32,550	32,600	0	0	235	0	0	446
29,350	29,400	0	47	909	0	206	1,120	32,600	32,650	0	0	225	0	0	435
29,400	29,450	0	39	899	0	198	1,109	32,650	32,700	0	0	214	0	0	425
29,450	29,500	0	31	888	0	190	1,099	32,700	32,750	0	0	204	0	0	414
29,500	29,550	0	23	878	0	182	1,088	32,750	32,800	0	0	193	0	0	404
29,550	29,600	0	15	867	0	174	1,078	32,800	32,850	0	0	183	0	0	393
29,600	29,650	0	7	857	0	166	1,067	32,850	32,900	0	0	172	0	0	383
29,650	29,700	0	**	846	0	158	1,057	32,900	32,950	0	0	162	0	0	372
29,700	29,750	0	0	835	0	150	1,046	32,950	33,000	0	0	151	0	0	362
29,750	29,800	0	0	825	0	142	1,036	33,000	33,050	0	0	140	0	0	351
29,800	29,850	0	0	814	0	134	1,025	33,050	33,100	0	0	130	0	0	341
29,850	29,900	0	0	804	0	126	1,014	33,100	33,150	0	0	119	0	0	330
29,900	29,950	0	0	793	0	118	1,004	33,150	33,200	0	0	109	0	0	319
29,950	30,000	0	0	783	0	110	993	33,200	33,250	0	0	98	0	0	309
30,000	30,050	0	0	772	0	102	983	33,250	33,300	0	0	88	0	0	298
30,050	30,100	0	0	762	0	94	972	33,300	33,350	0	0	77	0	0	288
30,100	30,150	0	0	751	0	86	962	33,350	33,400	0	0	67	0	0	277
30,150	30,200	0	0	741	0	78	951	33,400	33,450	0	0	56	0	0	267
30,200	30,250	0	0	730	0	70	941	33,450	33,500	0	0	46	0	0	256
30,250	30,300	0	0	720	0	63	930	33,500	33,550	0	0	35	0	0	246
30,300	30,350	0	0	709	0	55	920	33,550	33,600	0	0	25	0	0	235
30,350	30,400	0	0	699	0	47	909	33,600	33,650	0	0	14	0	0	225
30,400	30,450	0	0	688	0	39	899	33,650	33,700	0	0	***	0	0	214
30,450	30,500	0	0	678	0	31	888	33,700	33,750	0	0	0	0	0	204
30,500	30,550	0	0	667	0	23	878	33,750	33,800	0	0	0	0	0	193
30,550	30,600	0	0	656	0	15	867	33,800	33,850	0	0	0	0	0	183
30,600	30,650	0	0	646	0	7	857	33,850	33,900	0	0	0	0	0	172
30,650	30,700	0	0	635	0	**	846	33,900	33,950	0	0	0	0	0	162
30,700	30,750	0	0	625	0	0	835	33,950	34,000	0	0	0	0	0	151
30,750	30,800	0	0	614	0	0	825	34,000	34,050	0	0	0	0	0	140
30,800	30,850	0	0	604	0	0	814	34,050	34,100	0	0	0	0	0	130
30,850	30,900	0	0	593	0	0	804	34,100	34,150	0	0	0	0	0	119
30,900	30,950	0	0	583	0	0	793	34,150	34,200	0	0	0	0	0	109
30,950	31,000	0	0	572	0	0	783	34,200	34,250	0	0	0	0	0	98
31,000	31,050	0	0	562	0	0	772	34,250	34,300	0	0	0	0	0	88
31,050	31,100	0	0	551	0	0	762	34,300	34,350	0	0	0	0	0	77
31,100	31,150	0	0	541	0	0	751	34,350	34,400	0	0	0	0	0	67
31,150	31,200	0	0	530	0	0	741	34,400	34,450	0	0	0	0	0	56
31,200	31,250	0	0	520	0	0	730	34,450	34,500	0	0	0	0	0	46
31,250	31,300	0	0	509	0	0	720	34,500	34,550	0	0	0	0	0	35
31,300	31,350	0	0	498	0	0	709	34,550	34,600	0	0	0	0	0	25
31,350	31,400	0	0	488	0	0	699	34,600	34,650	0	0	0	0	0	14
31,400	31,450	0	0	477	0	0	688	34,650	34,692	0	0	0	0	0	4
31,450	31,500	0	0	467	0	0	678	34,692 or more		0	0	0	0	0	0
31,500	31,550	0	0	456	0	0	667								
31,550	31,600	0	0	446	0	0	656								
31,600	31,650	0	0	435	0	0	646								
31,650	31,700	0	0	425	0	0	635								

**If the amount you are looking up from the worksheet is at least \$29,650 (\$30,650 if married filing jointly) but less than \$29,666 (\$30,666 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

***If the amount you are looking up from the worksheet is at least \$33,650 but less than \$33,692, your credit is \$4. Otherwise, you cannot take the credit.

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get more information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate toll free at **1-877-777-4778**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.
- Visit the web site at **www.irs.gov/advocate**.

For more information, see Publication 1546, *The Taxpayer Advocate Service of the IRS*.

Free tax services. To find out what services are available, get Publication 910, *Guide to Free Tax Services*. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.



Personal computer. You can access the IRS web site 24 hours a day, 7 days a week at **www.irs.gov** to:

- **E-file.** Access commercial tax preparation and *e-file* services available for free to eligible taxpayers.
- Check the amount of advance child tax credit payments you received in 2003.
- Check the status of your 2003 refund. Click on “Where’s My Refund” and then on “Go Get My Refund Status.” Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your 2003 tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products on-line.
- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.
- Figure your withholding allowances using our Form W-4 calculator.
- Send us comments or request help by e-mail.
- Sign up to receive local and national tax news by e-mail.
- Get information on starting and operating a small business.

You can also reach us using File Transfer Protocol at **[ftp.irs.gov](ftp://ftp.irs.gov)**.



TaxFax Service. You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call **703-368-9694** from your fax machine. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.

For help with transmission problems, call **703-487-4608**.

Long-distance charges may apply.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current-year forms, instructions, and publications and prior-year forms and instructions. You should receive your order within 10 days.
- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.
- *Solving problems.* You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to **www.irs.gov** or look in the phone book under "United States Government, Internal Revenue Service."
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax or account questions or to order forms and publications.
- *TeleTax topics.* Call **1-800-829-4477** to listen to pre-recorded messages covering various tax topics.
- *Refund information.* If you would like to check the status of your 2003 refund, call **1-800-829-4477** for automated refund information and follow the recorded instructions or call **1-800-829-1954**. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your 2003 tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.

Evaluating the quality of our telephone services. To ensure that IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.



Walk-in. Many products and services are available on a walk-in basis.

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD-ROM or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- *Services.* You can walk in to your local Taxpayer Assistance Center every business day to ask tax questions or get help with a tax problem. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. You can set up an appointment by calling your local Center and, at the prompt, leaving a message requesting Everyday Tax Solutions help. A representative will call you back

within 2 business days to schedule an in-person appointment at your convenience. To find the number, go to **www.irs.gov** or look in the phone book under “United States Government, Internal Revenue Service.”



Mail. You can send your order for forms, instructions, and publications to the Distribution Center nearest to you and receive a response within 10 workdays after your request is received. Use the address that applies to your part of the country.

- **Western part of U.S.:**
Western Area Distribution Center
Rancho Cordova, CA 95743–0001
- **Central part of U.S.:**
Central Area Distribution Center
P.O. Box 8903
Bloomington, IL 61702–8903
- **Eastern part of U.S. and foreign addresses:**
Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261–5074



CD-ROM for tax products. You can order IRS Publication 1796, *Federal Tax Products on CD-ROM*, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms and instructions.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- Internal Revenue Bulletins.

Buy the CD-ROM from National Technical Information Service (NTIS) on the Internet at **www.irs.gov/cdorders** for \$22 (no handling fee) or call **1–877–233–6767** toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee). The first release is available in early January and the final release is available in late February.



CD-ROM for small businesses. IRS Publication 3207, *Small Business Resource Guide*, is a must for every small business owner or any taxpayer about to start a business. This handy, interactive CD contains all the business tax forms, instructions and publications needed to successfully manage a business. In addition, the CD provides an abundance of other helpful information, such as how to prepare a business plan, finding financing for your business, and much more. The design of the CD makes finding information easy and quick and incorporates file formats and browsers that can be run on virtually any desktop or laptop computer.

It is available in early April. You can get a free copy by calling **1–800–829–3676** or by visiting the web site at **www.irs.gov/smallbiz**.

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EIC Eligibility Checklist

You may claim the EIC if you answer YES to all the following questions.*		
	YES	NO
<p>1. Is your AGI less than:</p> <ul style="list-style-type: none"> • \$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child, • \$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or • \$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child? <p>(See <i>Rule 1</i>.)</p>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you, your spouse, and your qualifying child each have a valid SSN? (See <i>Rule 2</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
<p>3. Is your filing status married filing jointly, head of household, qualifying widow(er), or single? (See <i>Rule 3</i>.)</p> <p>Caution: If you are a nonresident alien, answer YES only if your filing status is married filing jointly and you are married to a U.S. citizen or resident alien. (See <i>Rule 4</i>.)</p>	<input type="checkbox"/>	<input type="checkbox"/>
4. Answer YES if you are not filing Form 2555 or Form 2555-EZ. Otherwise, answer NO . (See <i>Rule 5</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
5. Is your investment income \$2,600 or less? (See <i>Rule 6</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
<p>6. Is your total earned income at least \$1 but less than:</p> <ul style="list-style-type: none"> • \$11,230 (\$12,230 for married filing jointly) if you do not have a qualifying child, • \$29,666 (\$30,666 for married filing jointly) if you have one qualifying child, or • \$33,692 (\$34,692 for married filing jointly) if you have more than one qualifying child? <p>(See <i>Rules 7 and 15</i>.)</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>7. Answer YES if you (and your spouse if filing a joint return) are not a qualifying child of another person. Otherwise, answer NO. (See <i>Rules 10 and 13</i>.)</p> <p>STOP: If you have a qualifying child, answer questions 8 and 9 and skip 10–12. If you do not have a qualifying child, skip questions 8 and 9 and answer 10–12.*</p>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does your child meet the age, residency, and relationship tests for a qualifying child? (See <i>Rule 8</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
9. Is your child a qualifying child only for you? Answer YES if your qualifying child also meets the tests to be a qualifying child of another person, but either (a) the other person is not claiming the EIC using that child, or (b) if both you and the other person claim the EIC using that child, <i>Rule 9</i> will allow only you to treat the child as a qualifying child. (See <i>Rule 9</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
10. Were you (or your spouse if filing a joint return) at least age 25 but under age 65 at the end of 2003? (See <i>Rule 11</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
11. Answer YES if you (and your spouse if filing a joint return) cannot be claimed as a dependent on anyone else's return. Answer NO if you (or your spouse if filing a joint return) can be claimed as a dependent on someone else's return. (See <i>Rule 12</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
12. Was your main home (and your spouse's if filing a joint return) in the United States for more than half the year? (See <i>Rule 14</i> .)	<input type="checkbox"/>	<input type="checkbox"/>
<p>*PERSONS WITH A QUALIFYING CHILD: If you answered YES to questions 1 through 9, you can claim the EIC. Remember to fill out Schedule EIC and attach it to your Form 1040 or Form 1040A. You cannot use Form 1040EZ.</p> <p>PERSONS WITHOUT A QUALIFYING CHILD: If you answered YES to questions 1 through 7, and 10 through 12, you can claim the EIC.</p> <p>If you answered NO to any question that applies to you: You cannot claim the EIC.</p>		