



Department of the Treasury
Internal Revenue Service

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Earned Income Credit (EIC)








For use in preparing **2008** Returns

ARE YOU
ELIGIBLE

Look inside for...

- Detailed Examples
- How To Get Online Help
- 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 \$41,646. 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"> • \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child, • \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or • \$12,880 (\$15,880 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 \$2,950 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 12.)</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 19.)</p>	<p>11. You must be at least age 25 but under age 65. (See page 20.)</p> <p>12. You cannot be the dependent of another person. (See page 20.)</p> <p>13. You cannot be a qualifying child of another person. (See page 21.)</p> <p>14. You must have lived in the United States more than half of the year. (See page 21.)</p>	<p>15. Your earned income must be less than:</p> <ul style="list-style-type: none"> • \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child, • \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or • \$12,880 (\$15,880 for married filing jointly) if you do not have a qualifying child. (See page 22.)

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 2008.

- You are filing Schedule E (Form 1040).
- You are reporting income from the rental of personal property not used in a trade or business.
- You are a member of a qualified joint venture that is a passive activity with rental real estate income not subject to self-employment tax.
- You are reporting income on 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 13, that includes an amount from Form 4797.

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.

Do I Have To Have a Child To Qualify For The EIC?

No, you can qualify for the EIC without a qualifying child if you are at least age 25 but under age 65 and your earned income is less than \$12,880 (\$15,880 if married filing jointly). See chapter 3.

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, or a worksheet.

Is There Help Online?

Yes. You can use the EITC Assistant at www.irs.gov/eitc to find out if you may be eligible for the credit. The EITC Assistant is available in English and Spanish.

How Can I Get EIC in My Paycheck in 2009?

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 2009.

What's New

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 \$38,646 (\$41,646 if married filing jointly),

- You have one qualifying child and you earned less than \$33,995 (\$36,995 if married filing jointly), or
- You do not have a qualifying child and you earned less than \$12,880 (\$15,880 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*.

Midwestern disaster area. If your main home was in a Midwestern disaster area when the disaster occurred and your 2008 earned income is less than your 2007 earned income, you may be able to elect to use your 2007 earned income to figure your 2008 earned income credit. See Publication 4492-B, Information for Affected Taxpayers in the Midwestern Disaster Areas, for more information.

Investment income amount is more. The maximum amount of investment income you can have and still get the credit has increased to \$2,950. See *Rule 6*.

Reminders

Reporting advance payments of EIC received in 2008. If you received advance payments of EIC in 2008, 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 60 (Form 1040) or line 36 (Form 1040A). If filing Form 1040, check box a on line 60.

Figure 1. Reporting Advance EIC

a Employee's social security number		OMB No.		9 Advance EIC payment		Visit the IRS website at www.irs.gov/efile .	
b Employer identification number (EIN)				2 Federal income tax withheld			
c Employer's name, address, and ZIP code				3		4 Social security tax withheld	
				5 Medicare tax withheld		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Control number				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
						12a See instructions for box 12	
				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
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 **2008** Department of the Treasury—Internal Revenue Service
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

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.

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.

Do not overlook your state credit. If you can claim the EIC on your federal income tax return, you may be able to take a similar credit on your state or local income tax return. For a list of states that offer a state EIC, go to www.irs.gov/eitc.

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 the 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 write to us at the following address:

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Individual Forms and Publications Branch
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1111 Constitution Ave. NW, IR-6526
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.

You can email us at *taxforms@irs.gov. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

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Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613

Tax questions. If you have a tax question, check the information available on www.irs.gov or call 1-800-829-1040. We cannot answer tax questions sent to either of the above addresses.

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.

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:

- \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child,
- \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or
- \$12,880 (\$15,880 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 38 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 \$34,500, you are single, and you have one qualifying child. You cannot claim the EIC because your AGI is not less than \$33,995. However, if your filing status was married filing jointly, you might be able to claim the EIC because your AGI is less than \$36,995.

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 also must 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 or DHS authorization. If your social security card reads “Valid for work only with INS authorization” or “Valid for work only with DHS 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” next to line 64a (Form 1040), line 40a (Form 1040A), or line 8a (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 SSA. You can get Form SS-5 online at www.socialsecurity.gov, from your local SSA office, or by calling the SSA at 1-800-772-1213.

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 6-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

If you (or your spouse, if married) were a nonresident alien for any part of the year, you cannot claim the earned income credit unless your filing status is married filing jointly. You can use that filing status only if one spouse is a U.S. citizen or resident alien and you choose to treat the nonresident spouse as a U.S. resident. If you make this choice, you and your spouse are taxed on your worldwide income. If you need more information on making this choice, get Publication 519, U.S. Tax Guide for Aliens. If you (or your spouse, if married) were a nonresident alien for any part of the year and your filing status

is not married filing jointly, enter “No” on the dotted line next to line 64a (Form 1040) or in the space to the left of line 40a (Form 1040A).

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 \$2,950 or Less

You cannot claim the earned income credit unless your investment income is \$2,950 or less. If your investment income is more than \$2,950, 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 10 (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



Use this worksheet to figure investment income for the earned income credit when you file 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. (If your child received an Alaska Permanent Fund dividend, use Worksheet 2, on the next page, to figure the amount to enter on this line.) **4.** _____

Capital Gain Net Income

5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter -0-. **5.** _____
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.) **6.** _____
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.) **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 36. **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 -0-.) **10.** _____

Passive Activities

11. Enter the total of all net income or losses from qualified joint ventures that are passive activities with rental real estate income reported on your (and your spouse's) Schedule C, line 31, or Schedule C-EZ, line 3, but not included in net earnings from self-employment. Do not include this amount on line 12 or 13 below. **11.** _____
12. Enter the total of any net income from passive activities (such as income included on Schedule E, line 26, 29a (col. (g)), 34a (col. (d)), or 40). (See instructions below for lines 12 and 13.) Do not include any amount you included on line 11 above. **12.** _____
13. Enter the total of any losses from passive activities (such as losses included on Schedule E, line 26, 29b (col. (f)), 34b (col. (c)), or 40). (See instructions below for lines 12 and 13.) Do not include any amount you included on line 11 above. **13.** _____
14. Combine the amounts on lines 11, 12 and 13 of this worksheet. (If the result is less than zero, enter -0-.) **14.** _____
15. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 14. Enter the total. **This is your Investment Income.** **15.** _____
16. Is the amount on line 15 more than **\$2,950**?
 - Yes.** You cannot take the credit.
 - No.** Go to *Step 3* of the Form 1040 instructions for lines 64a and 64b 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 *Rule 7*, next).

Instructions for lines 12 and 13. In figuring the amount to enter on lines 12 and 13, 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.



Worksheet 2. Worksheet for Line 4 of Worksheet 1



Complete this worksheet only if Form 8814 includes an Alaska Permanent Fund dividend.

Note. Fill out a separate Worksheet 2 for each Form 8814.

- | | | |
|---|-----|-------|
| 1. Enter the amount from Form 8814, line 2a. | 1. | _____ |
| 2. Enter the amount from Form 8814, line 2b. | 2. | _____ |
| 3. Subtract line 2 from line 1. | 3. | _____ |
| 4. Enter the amount from Form 8814, line 1a. | 4. | _____ |
| 5. Add lines 3 and 4. | 5. | _____ |
| 6. Enter the amount of the child's Alaska Permanent Fund dividend. | 6. | _____ |
| 7. Divide line 6 by line 5. Enter the result as a decimal (rounded to at least three places). | 7. | _____ |
| 8. Enter the amount from Form 8814, line 12. | 8. | _____ |
| 9. Multiply line 7 by line 8. | 9. | _____ |
| 10. Subtract line 9 from line 8. Enter the result on line 4 of Worksheet 1. | 10. | _____ |

(If filing more than one Form 8814, enter on line 4 of Worksheet 1 the total of the amounts on line 10 of all Worksheets 2.)

Example. Your 10-year-old child has taxable interest income of \$400, an Alaska Permanent Fund dividend of \$1,000, and ordinary dividends of \$1,100, of which \$500 are qualified dividends. You choose to report this income on your return. You enter \$400 on line 1a of Form 8814, \$2,100 (\$1,000 + \$1,100) on line 2a, and \$500 on line 2b. After completing lines 4 through 11, you enter \$560 on line 12 of Form 8814 and line 21 of Form 1040. On Worksheet 2, you enter \$2,100 on line 1, \$500 on line 2, \$1,600 on line 3, \$400 on line 4, \$2,000 on line 5, \$1,000 on line 6, 0.500 on line 7, \$560 on line 8, \$280 on line 9, and \$280 on line 10. You then enter \$280 on line 4 of Worksheet 1.

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 all of the following types of income.

1. Wages, salaries, tips, and other taxable employee pay. Employee pay is earned income only if it is taxable. Nontaxable employee pay, such as certain dependent care benefits and adoption benefits, is not earned income. But there is an exception for nontaxable combat pay, which you can choose to include in earned income, as explained below.
2. Net earnings from self-employment.
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, in box 1. You should report these on line 1 (Form 1040EZ) or line 7 (Forms 1040A and 1040).

Nontaxable combat pay election. You can elect to include your nontaxable combat pay in earned income for the earned income credit. The amount of your nontaxable combat pay should be shown on your Form W-2, in box 12, with code Q. Electing to include nontaxable combat pay in earned income may increase or decrease your EIC. For details, see *Nontaxable combat pay* in chapter 4.

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.

Qualified joint venture. If you are a member of a qualified joint venture that is a passive activity with rental real estate income not subject to self-employment tax, income or loss from that activity is not earned income. For more information about qualified joint ventures, see the Instructions for Schedule C (Form 1040).

Nontaxable military pay. Nontaxable pay for members of the Armed Forces is not considered earned income for the EIC. Examples of nontaxable military pay are combat pay, the Basic Allowance for Housing (BAH), and the Basic Allowance for Subsistence (BAS). See Publication 3, Armed Forces’ Tax Guide, for more information.



Combat pay. *You can elect to include your nontaxable combat pay in earned income for the EIC. See Nontaxable combat pay election on page 10.*

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.

You must file Form 1040 or Form 1040A to claim the EIC with a qualifying child. (You cannot file Form 1040EZ.) You also must 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 13. The paragraphs that follow contain more information about each test.

Relationship



Relationship Test

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

- Son, daughter, stepchild, foster child, or a descendant of any of them (for example, your grandchild), or
- Brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew).

The following definitions clarify the relationship test.

Adopted child. An adopted child is always treated as your own child. The term “adopted child” includes a child who was lawfully placed with you for legal adoption.

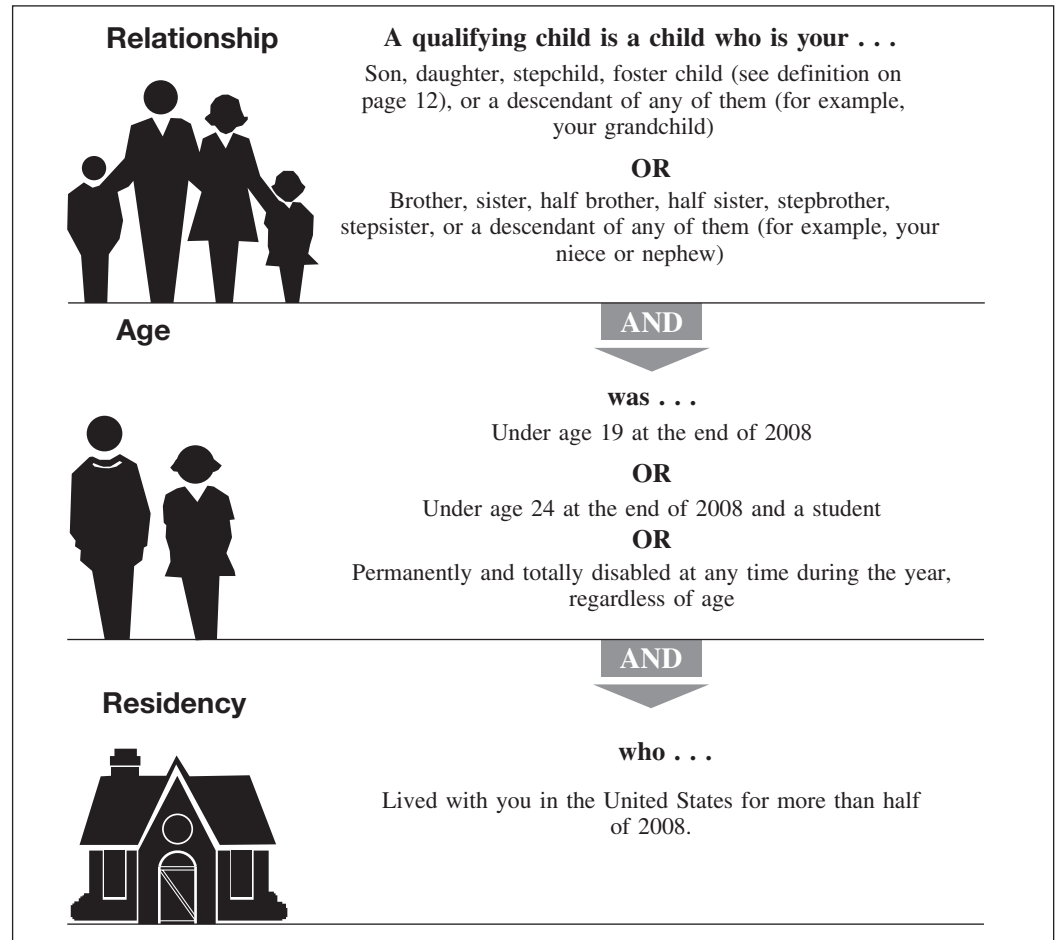
Foster child. For the EIC, a person is your foster child if the child is placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. (An authorized placement agency includes a state or local government agency. It also includes a tax-exempt 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.)

Example: 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. Debbie is your foster child.



Figure 2. Tests for Qualifying Child



Married child. If your child was married at the end of the year, he or she does not meet the relationship test unless:

1. You can claim an exemption for the child, or
2. The reason you cannot claim an exemption for the child is that you let the child's other parent claim the exemption under the *Special rule for divorced or separated parents*, described later.



Age Test

Your child must be:

1. Under age 19 at the end of 2008,
2. Under age 24 at the end of 2008 and a student, or
3. Permanently and totally disabled at any time during 2008, regardless of age.

The following example and definitions clarify the age test.

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

Example:
 Child not under age 19

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 at the school, 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.

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.



Special rules may apply for people who had to relocate because of the Midwestern storms, tornadoes, or flooding. For details, see Publication 4492-B.

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 schools offering courses only through the Internet do not count as schools for the EIC.

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.

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



Residency Test

Your child must have lived with you in the United States for more than half of 2008. The following definitions clarify the residency test.

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

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 2008 is treated as having lived with you for all of 2008 if your home was the child's home the entire time he or she was alive in 2008.

Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

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 6 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 2008. 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), 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, if anyone, 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 which of you, if otherwise eligible, will take all of the following tax benefits based on the qualifying child.

- The exemption for the child.
- The child tax credit.
- Head of household filing status.
- The credit for child and dependent care expenses.
- The exclusion for dependent care benefits.
- The EIC.

The other person cannot take any of these six tax benefits unless he or she has a different qualifying child.

If you and the other person(s) cannot agree and more than one person claims the EIC or any of the other tax benefits just listed using the same child, the tie-breaker rule (explained in Table 2) applies. However, the tie-breaker rule does not apply if the other person is your spouse and you file a joint return.

Table 2. When More Than One Person Files a Return Claiming the Same Qualifying Child (Tie-Breaker Rule)

Caution. If a child is treated as the qualifying child of the noncustodial parent under the special rule for divorced or separated parents described later, see *Applying Rule 9 to divorced or separated parents, later*.

IF more than one person files a return claiming the same qualifying child and ...	THEN the child will be treated as the qualifying child of the ...
only one of the persons is the child's parent,	parent.
two of the persons are parents of the child and they do not file a joint return together,	parent with whom the child lived longer during the year.
two of the persons are parents of the child, the child lived with each parent the same amount of time during the year, and the parents do not file a joint return together,	parent with the higher adjusted gross income (AGI).
none of the persons are the child's parent,	person with the highest AGI.

If another person claims the EIC using this child. If your EIC is denied because your qualifying child is treated under this rule as the qualifying child of another person for 2008, you may be able to take the EIC using a different qualifying child, but you cannot take the EIC using the rules in chapter 3 for people who do not have a qualifying child.

If the other person cannot claim the EIC. If you and someone else have the same qualifying child but the other person cannot claim the EIC because he or she is not eligible or his or her earned income or AGI is too high, you may be able to treat the child as a qualifying child. See *Example 5*. But also see *You can choose which person will claim the EIC*, earlier.

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 treat him as a qualifying child to claim the EIC (and the other tax benefits listed on page 15 for which that person qualifies). If you do not claim your son as a qualifying child for the EIC or any of the other tax benefits listed on page 15, your mother can treat your son as a qualifying child to claim the EIC (and any other tax benefits listed on page 15 for which she qualifies).

Example 2. The facts are the same as in *Example 1* except that you and your mother both claim your son as a qualifying child. In this case, you as the child's parent will be the only one allowed to claim your son as a qualifying child for the EIC and the other tax benefits listed on page 15 for which you qualify. The IRS will disallow your mother's claim to the EIC and any other tax benefits listed on page 15 unless she has another qualifying child.

Examples:
Child lived with parent and grandparent



Example 3. The facts are the same as in *Example 1* except that you also have two other young children who are qualifying children of both you and your mother. Only one of you can claim each child as a qualifying child. However, you and your mother can split the three qualifying children between you. For example, you can claim one child as a qualifying child and your mother can claim the other two.

Example 4. 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 and you do not claim your son as a qualifying child for any of the other tax benefits listed on page 15, your mother can claim both you and your son as qualifying children for the EIC.

Example 5. The facts are the same as in *Example 1* except that your mother earned \$50,000 from her job. Because your mother's earned income is too high for her to claim the EIC, only you can claim the EIC using your son.

Examples:
Separated parents

Example 6. You, your husband, and your 10-year-old son lived together until August 1, 2008, when your husband moved out of the household. In August and September, your son lived with you. For the rest of the year, your son lived with your husband, the boy's father. Your son is a qualifying child of both you and your 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. At the end of the year, you and your husband still were not divorced, legally separated, or separated under a written separation agreement, so the special rule for divorced or separated parents does not apply.

You and your husband will file separate returns. Your husband agrees to let you treat your son as a qualifying child. This means, if your husband does not claim your son as a qualifying child for any of the tax benefits listed on page 15, you can claim him as a qualifying child for any tax benefit listed on page 15 for which you qualify. However, your filing status is married filing separately, so you cannot claim the EIC or the credit for child and dependent care expenses. See *Rule 3*.

Example 7. The facts are the same as in *Example 6* except that you and your husband both claim your son as a qualifying child. In this case, only your husband will be allowed to treat your son as a qualifying child. This is because, during 2008, the boy lived with him longer than with you. You cannot claim the EIC (either with or without a qualifying child). However, your husband's filing status is married filing separately, so he cannot claim the EIC or the credit for child and dependent care expenses. See *Rule 3*.

Examples:
Unmarried parents

Example 8. 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 \$12,000 and your son's father earned \$14,000. Neither of you had any other income. Your son's father agrees to let you treat the child as a qualifying child. This means, if your son's father does not claim your son as a qualifying child for the EIC or any of the other tax benefits listed on page 15, you can claim him as a qualifying child for the EIC and any other tax benefits listed on page 15 for which you qualify.

Example 9. The facts are the same as in *Example 8* except that you and your son's father both claim your son as a qualifying child. In this case, only your son's father will be allowed to treat your son as a qualifying child. This is because his AGI, \$14,000, is more than your AGI, \$12,000. You cannot claim the EIC (either with or without a qualifying child).

Examples:

Child did not live with a parent

Example 10. You and your 7-year-old niece, your sister's child, lived with your mother all year. 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. Your mother agrees to let you treat the child as a qualifying child. This means, if your mother does not claim her as a qualifying child for the EIC or any of the other tax benefits listed on page 15, you can claim your niece as a qualifying child for the EIC and any other tax benefits listed on page 15 for which you qualify.

Example 11. The facts are the same as in *Example 10* except that you and your mother both claim your niece as a qualifying child. In this case, only your mother will be allowed to treat your niece as a qualifying child. This is because your mother's AGI, \$15,000, is more than your AGI, \$9,300.

Special rule for divorced or separated parents. A child will be treated as the qualifying child of his or her noncustodial parent (for purposes of claiming an exemption and the child tax credit, but not for the EIC) if all of the following apply.

1. The parents:
 - a. Are divorced or legally separated under a decree of divorce or separate maintenance,
 - b. Are separated under a written separation agreement, or
 - c. Lived apart at all times during the last 6 months of 2008.
2. The child received over half of his or her support for the year from the parents.
3. The child is in the custody of one or both parents for more than half of 2008.
4. Either of the following statements is true.
 - a. The custodial parent signs Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for the year, and the noncustodial parent attaches the form or statement to his or her return. If the divorce decree or separation agreement went into effect after 1984, the noncustodial parent can attach certain pages from the decree or agreement instead of Form 8332.
 - b. A pre-1985 decree of divorce or separate maintenance or written separation agreement that applies to 2008 provides that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least \$600 for support of the child during 2008.

For details, see Publication 501. Also see *Applying Rule 9 to divorced or separated parents*, next.

Applying Rule 9 to divorced or separated parents. If a child is treated as the qualifying child of the noncustodial parent under the special rule for children of divorced or separated parents just described, only the noncustodial parent can claim an exemption and the child tax credit for the child. However, the noncustodial parent cannot claim the child as a qualifying child for the other tax benefits listed on page 15. Only the custodial parent or another eligible taxpayer can claim the child as a qualifying child for those tax benefits. However, if the custodial parent and another eligible taxpayer both file a return claiming the child as a qualifying child for any of these four tax benefits, the IRS will disallow all but one of the claims using the tie-breaker rule in Table 2.

Example:

Child lived with divorced parent and grandparent

Example 1. You and your 5-year-old son lived all year with your mother, who paid the entire cost of keeping up the home. Under the special rule for children of divorced or separated parents, your son is treated as the qualifying child of his father, who can claim an exemption and the child tax credit for the child if he meets all the requirements to do so. However, your son's father cannot claim your son as a qualifying child for head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, or the EIC. You and your mother did not have any child care expenses or dependent care benefits. If you do not claim your son as a qualifying child, your mother can claim him as a qualifying child for the EIC and head of household filing status, if she qualifies for these tax benefits.

Example:

Divorced parent and grandparent claim same qualifying child

Example 2. The facts are the same as in *Example 1* except that you and your mother both claim your son as a qualifying child for the EIC. Your mother also claims him as a qualifying child for head of household filing status. You as the child's parent will be the only one allowed to claim your son as a qualifying child for the EIC. The IRS will disallow your mother's claim to the EIC and head of household filing status unless she has another qualifying child.

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, stepchild, grandchild, or foster child. Or, you are that person's brother, sister, half brother, half sister, stepbrother, or stepsister (or the child or grandchild of that person's brother, sister, half brother, half sister, stepbrother, or stepsister).
2. At the end of the year you were under age 19, or under age 24 and a 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 64a (Form 1040) or line 40a (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.

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.

If you have a qualifying child. If you meet *Rule 8*, you have a qualifying child. If you meet *Rule 8* and do not claim the EIC with a qualifying child, you cannot claim the EIC without a qualifying child.

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 2008. 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 2008. 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" next to line 64a (Form 1040), line 40a (Form 1040A), or line 8a (Form 1040EZ).

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.

Examples: Age

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 did not check the "You" box on line 5 of Form 1040EZ, and you entered \$8,950 on that line.

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 did not check either the "You" box or the "Spouse" box on line 5 of Form 1040EZ, and you entered \$17,900 on that line.

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.

Example 1. In 2008, 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 not checking the "You" box on line 5 of your Form 1040EZ and by entering \$8,950 on that line. You meet this rule.

Examples: Dependent of another person

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, stepchild, grandchild, or foster child. Or, you are that person's brother, sister, half brother, half sister, stepbrother, or stepsister (or the child or grandchild of that person's brother, sister, half brother, half sister, stepbrother, or stepsister).
2. At the end of the year you were under age 19, or under age 24 and a 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" next to line 64a (Form 1040), line 40a (Form 1040A), or line 8a (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 three days a week to answer telephones. You earned \$5,000 for the year and provided more than half of your own support. Because you meet the relationship, age, and residency tests, you are a qualifying child of your mother for the EIC. 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" next to line 64a (Form 1040), line 40a (Form 1040A), or line 8a (Form 1040EZ).

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

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:

- \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child,
- \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or
- \$12,880 (\$15,880 for married filing jointly) if you do not have a qualifying child.

Earned Income

Earned income generally means wages, salaries, tips, other taxable employee pay, and net earnings from self-employment. Employee pay is earned income only if it is taxable. Nontaxable employee pay, such as certain dependent care benefits and adoption benefits, is not earned income. But there is an exception for nontaxable combat pay, which you can choose to include in earned income. 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 lines 64a and 64b or the Form 1040A instructions for lines 40a and 40b, or the worksheet in *Step 2* of the Form 1040EZ instructions for lines 8a and 8b.

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 the entry space for 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 lines 64a and 64b. Put “Clergy” on the dotted line next to line 64a (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 lines 64a and 64b.

Nontaxable combat pay. You can elect to include your nontaxable combat pay in earned income for the earned income credit. If you make the election, you must include in earned income all nontaxable combat pay you received. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you can each make your own election. The amount of your nontaxable combat pay should be shown on your Form W-2 in box 12 with code Q.

Electing to include nontaxable combat pay in earned income may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election. Whether the election increases or decreases your EIC depends on your total earned income, filing status, and number of qualifying children. If your earned income without your combat pay is less than the amount shown below for your number of children, you may benefit from electing to include your nontaxable combat pay in earned income and you should figure the credit both ways. If your earned income without your combat pay is equal to or more than these amounts, you will not benefit from including your combat pay in your earned income.

- \$5,700 if you have no children.
- \$8,550 if you have one child.
- \$12,050 if you have two children.

The following examples illustrate the effect of including nontaxable combat pay in earned income for the EIC.

Example 1 – election increases the EIC. George and Janice are married and will file a joint return. They have one qualifying child. George was in the military and earned \$15,000 (\$5,000 taxable wages + \$10,000 nontaxable combat pay). Janice worked part of the year and earned \$2,000. Their taxable earned income and AGI are \$7,000. George and Janice qualify for the EIC and fill out the EIC Worksheet and Schedule EIC.

When they complete the EIC worksheet without adding the nontaxable combat pay to their earned income, they find their credit to be \$2,389. When they complete the EIC worksheet with the nontaxable combat pay added to their earned income, they find their credit to be \$2,917. Because making the election will increase their EIC, they elect to add the nontaxable combat pay to their earned income for the EIC. They enter \$2,917 on line 40a of their Form 1040A and enter the amount of their nontaxable combat pay on line 40b.

Example 2– election does not increase the EIC. The facts are the same as *Example 1* except George had nontaxable combat pay of \$22,000. When George and Janice add their nontaxable combat pay to their earned income, they find their credit to be \$1,274. Because the credit they can get if they do not add the nontaxable combat pay to their



earned income is \$2,389, they decide not to make the election. They enter \$2,389 on line 40a of their Form 1040A.

Midwestern disaster area. If your main home was in a Midwestern disaster area when the disaster occurred and your 2008 earned income is less than your 2007 earned income, you may be able to elect to use your 2007 earned income to figure your 2008 earned income credit. For details, see Publication 4492-B.

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, below.



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	3
	Earned income credit (EIC)	1
	Nontaxable combat pay election ▶ <input type="text" value="2"/>	2
	Add lines your total payments	3
Refund		3

- 1 Put "EIC" on the dotted line next to line 64a (Form 1040), to the left of the entry space for line 40a (Form 1040A), or in the space to the left of line 8a (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 If you received nontaxable combat pay and are electing to include it in your earned income for the EIC, enter the amount on line 64b (Form 1040), line 40b (Form 1040A), or line 8b (Form 1040EZ). For details, see *Nontaxable combat pay* in this chapter.
- 3 Complete all other parts of your return that apply to you (including line 60 (Form 1040) or line 36 (Form 1040A) to report advance payments of the EIC).
- 4 Do not fill in lines that relate to your total payments, overpayment, refund, or amount you owe (lines 71, 72, 73a, and 75 (Form 1040), lines 43, 44, 45a, and 47 (Form 1040A), or lines 10, 12a, and 13 (Form 1040EZ)).
- 5 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 25) 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 figuring your net earnings from self-employment, you must claim all your allowable business expenses.

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 \$4,548, see 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.

Qualified joint venture. If you are a member of a qualified joint venture that is a passive activity with rental real estate income not subject to self-employment tax, do not include any income or loss from that activity on EIC Worksheet B. It is not earned income.

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 the amount from line 1 of Schedule C or C-EZ in Part 3 when you complete EIC Worksheet B.

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 34.



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 2008.

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, you may need to complete Form 8862, Information To Claim Earned Income Credit After Disallowance, and attach it to your 2008 return to claim the credit for 2008. 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 after 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 to claim the EIC. You must also qualify to claim the EIC by meeting all the rules described in this publication.

However, do not file Form 8862 if either (1) or (2) below is true.

1. After your EIC was reduced or disallowed in the earlier year:
 - a. You filed Form 8862 in a later year and your EIC for that later year was allowed, and
 - b. Your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
2. You are taking the EIC without a qualifying child for 2008 and the only reason your EIC was reduced or disallowed in the earlier year was because the IRS determined that a child listed on Schedule EIC was not your qualifying child.

Also, do not file Form 8862 or take the EIC for:

- 2 years after there was a final determination that your EIC claim was due to reckless or intentional disregard of the EIC rules, or
- 10 years after there was a final determination that your EIC claim was due to fraud.

For details, see *Are You Prohibited From Claiming the EIC for a Period of Years?* in this chapter.

The date on which your EIC was denied and the date on which you file your 2008 return affect whether you need to attach Form 8862 to your 2008 return or to a later return. The following examples demonstrate whether Form 8862 is required for 2008 or 2009.

Example:
Form 8862 required for
2008

Example 1. You filed your 2007 tax return in March 2008 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 2008, you received a statutory notice of deficiency telling you that an adjustment would be made and tax assessed unless you filed a petition with the Tax Court within 90 days. You did not act on this notice within 90 days. Therefore, your EIC was denied in December 2008. To claim the EIC with a qualifying child on your 2008 return, you must complete and attach Form 8862 to that return. However, to claim the EIC without a qualifying child on your 2008 return, you do not need to file Form 8862.

Example:
Form 8862 required for
2008

Example 2. The facts are the same as in *Example 1*, except that you received the statutory notice of deficiency in February 2009. Because the 90-day period referred to in the statutory notice is not over when you are ready to file your return for 2008, you should not attach Form 8862 to your 2008 return. However, to claim the EIC with a qualifying child for 2009, you must complete and attach Form 8862 to your return for that year. To claim the EIC without a qualifying child for 2009, 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 2008 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 documents may be required. You may have to provide the IRS with additional documents or information 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 2008 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 2007 tax return, which you filed in March 2008. The IRS determined you were not entitled to the EIC and that your error was due to reckless or intentional disregard of the EIC rules. In September 2008, you received a statutory notice of deficiency telling you an adjustment would be made and tax assessed unless you filed a petition with the Tax Court within 90 days. You did not act on this notice within 90 days. Therefore, your EIC was denied in December 2008. You cannot claim the EIC for tax year 2008 or 2009. To claim the EIC on your return for 2010, 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 your 2007 EIC was not denied until after you filed your 2008 return. You cannot claim the EIC for tax year 2009 or 2010. To claim the EIC on your return for 2011, 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 2007 tax return, which you filed in February 2008. The IRS determined you were not entitled to the EIC and that your error was due to fraud. In September 2008, you received a statutory notice of deficiency telling you an adjustment would be made and tax assessed unless you filed a petition with the Tax Court within 90 days. You did not act on this notice within 90 days. Therefore, your EIC was denied in December 2008. You cannot claim the EIC for tax years 2008 through 2017. To claim the EIC on your return for 2018, you must complete and attach Form 8862 to your return for that year.

Chapter 6. Advance Payment of EIC in 2009



You can receive part of your 2009 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 (2009) 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 2010 when you file your tax return for the year 2009. 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 2009, 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 2009. 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 2008 tax return. This chapter is about the EIC you **expect** to claim on your 2009 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 12.)

- 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 \$35,463 (\$38,583 if you expect to file a joint return for 2009)?

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

Question 3. _____

Do you expect to be eligible for the EIC in 2009 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.”

Tip:
AGI and earned income are explained on pages 5, 9, and 22.

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




Note. The rules in chapters 1, 2, 3, and 4 are expected to be basically the same for 2009, except that you will be allowed to have more earned income, more adjusted gross income, and up to \$3,100 of investment income. Also, there will be changes to the definition of a qualifying child. For details, see Publication 553, Highlights of 2008 Tax Changes.

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 2009.

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.

2009 Form W-5			Department of the Treasury Internal Revenue Service
Instructions		penal institutions are paid for their work, amounts received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or nontaxable earned income.	
Purpose of Form			
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. 1545-0074
Department of the Treasury Internal Revenue Service	▶ Use the current year's certificate only. ▶ Give this certificate to your employer. ▶ This certificate expires on December 31, 2009.		2009
Print or type your full name		Your social security number	
Note. If you get advance payments of the earned income credit for 2009, you must file a 2009 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 2009 using that child. I do not have another Form W-5 in effect with any other current employer, and I choose to get advance EIC payments <input type="checkbox"/> Yes <input type="checkbox"/> No			
2 Check the box that shows your expected filing status for 2009: <input type="checkbox"/> Single, head of household, or qualifying widow(er) <input type="checkbox"/> Married filing jointly			
3 If you are married, does your spouse have a Form W-5 in effect for 2009 with any employer? <input type="checkbox"/> Yes <input type="checkbox"/> 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 2010 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 50.
- 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 2009 Form W-5 you give to your employer is valid until December 31, 2009. If you expect to be eligible for EIC in 2010 and you want to receive advance payments, you must give your employer a new Form W-5 in 2010. 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 2009.

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 expect to have a qualifying child	“No” on line 1.
You no longer expect to be 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 2008, see *Reporting advance payments of EIC received in 2008* on page 3 for information on reporting these payments.

If you receive advance payments of EIC in 2009, you must file a 2009 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 2009, 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 2008. Cynthia earned wages of \$15,000 and Jerry had wages of \$10,000. The Greys received \$525 in interest on their savings account. They had no other income in 2008.

Cynthia and Jerry have the 2008 Form 1040A and instructions. They want to see if they qualify for the EIC, so they follow the steps in the instructions for lines 40a and 40b.

Step 1. The amount Cynthia and Jerry entered on Form 1040A, line 22, was \$25,525. 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 \$525 interest income. That amount is not more than \$2,950, so they answer “No” to the second question in *Step 2* and go to *Step 3*.

Step 3. 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 first question in *Step 3*. Kirk and Susanne are not qualifying children of anyone else. Both children have valid SSNs. Cynthia and Jerry are not qualifying children of anyone else, so they answer “No” to the second question in *Step 3*. This means they can 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 \$41,646, 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 on page 33).

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 \$3,500. They enter \$3,500 on line 2.
3. They enter on line 3 their AGI (\$25,525) and see that it is different from the amount on line 1.
4. They look up \$25,525 in the EIC Table and enter the amount of \$3,395 on line 5.
5. They enter \$3,395 on line 6. This is the smaller of the line 2 amount (\$3,500) and the line 5 amount (\$3,395).



6. The Greys enter \$3,395 on line 40a of their Form 1040A. They will now complete Schedule EIC (shown on page 34) 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—		
25,000	25,050	0	1,433	2,869	0	1,913	3,500
25,050	25,100	0	1,425	2,858	0	1,905	3,490
25,100	25,150	0	1,417	2,848	0	1,897	3,479
25,150	25,200	0	1,409	2,837	0	1,889	3,469
25,200	25,250	0	1,401	2,826	0	1,881	3,458
25,250	25,300	0	1,394	2,816	0	1,873	3,448
25,300	25,350	0	1,386	2,805	0	1,865	3,437
25,350	25,400	0	1,378	2,795	0	1,857	3,427
25,400	25,450	0	1,370	2,784	0	1,849	3,416
25,450	25,500	0	1,362	2,774	0	1,841	3,406
25,500	25,550	0	1,354	2,763	0	1,833	3,395
25,550	25,600	0	1,346	2,753	0	1,825	3,385
25,600	25,650	0	1,338	2,742	0	1,817	3,374
25,650	25,700	0	1,330	2,732	0	1,809	3,363
25,700	25,750	0	1,322	2,721	0	1,801	3,353

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 \$7,500 from a part-time job. She also received a taxable pension of \$6,400. Sharon had no other income. Her AGI on line 22 of Form 1040A is \$13,900 (\$7,500 + \$6,400).

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 (\$13,900) is not less than \$12,880, 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—Lines 40a and 40b

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 in the EIC Table on pages 45–52 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 3,500

If line 2 is zero, You cannot take the credit. Enter "No" to the left of the entry space for line 40a.

3. Enter the amount from Form 1040A, line 22. 3 25,525

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 \$7,200 (\$10,200 if married filing jointly)?
 • 1 or more qualifying children, is the amount on line 3 less than \$15,750 (\$18,750 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 45–52 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 3,395
 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 3,395
 Enter this amount on Form 1040A, line 40a.

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



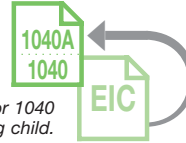
If your EIC for a year after 1996 was reduced or disallowed, see page 42 to find out if you must file Form 8862 to take the credit for 2008.



Filled-in Schedule EIC—Cynthia and Jerry Grey

SCHEDULE EIC
(Form 1040A or 1040)

Earned Income Credit
Qualifying Child Information



OMB No. 1545-0074

2008

Attachment
Sequence No. **43**

Department of the Treasury
Internal Revenue Service (99)

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

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, lines 40a and 40b, or Form 1040, lines 64a and 64b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
 - Be sure the child's name on line 1 and social security number (SSN) on line 2 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.



- 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.

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	
2 Child's SSN The child must have an SSN as defined on page 43 of the Form 1040A instructions or page 49 of the Form 1040 instructions unless the child was born and died in 2008. If your child was born and died in 2008 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate, death certificate, or hospital medical records.	123 00 5678		987 00 4321	
3 Child's year of birth	Year <u>2</u> <u>0</u> <u>0</u> <u>0</u> <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>		Year <u>2</u> <u>0</u> <u>0</u> <u>2</u> <i>If born after 1989, skip lines 4a and 4b; go to line 5.</i>	
4 If the child was born before 1990—				
a Was the child under age 24 at the end of 2008 and a student?	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue.</i>	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue.</i>
b Was the child permanently and totally disabled during any part of 2008?	<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.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	son		daughter	
6 Number of months child lived with you in the United States during 2008				
<ul style="list-style-type: none"> • If the child lived with you for more than half of 2008 but less than 7 months, enter "7." • If the child was born or died in 2008 and your home was the child's home for the entire time he or she was alive during 2008, enter "12." 	<u>12</u> months <i>Do not enter more than 12 months.</i>		<u>12</u> 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 2008, and (b) is a U.S. citizen, U.S. national, or U.S. resident alien. For more details, see the instructions for line 41 of Form 1040A or line 66 of Form 1040.



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 2008. 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 \$4,200 on Schedule SE, Section B, lines 15 and 4b. Steve figures self-employment tax of \$643. He deducts one-half of it (\$322) on Form 1040, line 27.

Linda had wages of \$16,000, which she reports on Form 1040, line 7. She also received advance EIC payments of \$1,716, which she reports on Form 1040, line 60. In addition, she and Steve received \$200 in interest from a savings account, and \$1,500 of their state income tax refund was taxable.

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 Form 4797, line 7, and on Schedule D, line 11. (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 13.

The Greens read the instructions for Form 1040, lines 64a and 64b. In *Step 2* they figure their investment income to be \$4,200 (\$200 interest income from Form 1040, line 8a, plus a \$4,000 capital gain from Form 1040, line 13). But when they read the second and third questions in *Step 2* they find that, because they have figured their investment income to be more than \$2,950 and they are filing Form 4797, they must use Worksheet 1 in Publication 596 to see if they can take the EIC.

The Greens fill out Worksheet 1 (shown on page 36) in Publication 596. They find their correct investment income for EIC purposes to be \$1,200, not \$4,200. This is less than \$2,950, so they meet *Rule 6*. They read the rest of Publication 596 and find that they meet all the rules to claim the EIC. For example, they will file a joint return (*Rule 3*). Both of their children are qualifying children (*Rule 8*). Also, their AGI of \$19,178 (\$16,000 + \$4,000 + \$200 + \$1,500 - \$2,200 - \$322) is less than \$41,646 (*Rule 1*).

They use EIC Worksheet B (shown on pages 37 and 38) to figure their EIC of \$4,585. 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

Use this worksheet to figure investment income for the earned income credit when you file 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. (If your child received an Alaska Permanent Fund dividend, use Worksheet 2, on the next page, to figure the amount to enter on this line.)	4. _____
Capital Gain Net Income	
5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter -0-.	5. <u>4,000</u>
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 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 -0-.)	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 36.	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 -0-.)	10. _____
Passive Activities	
11. Enter the total of all net income or losses from qualified joint ventures that are passive activities with rental real estate income reported on your (and your spouse's) Schedule C, line 31, or Schedule C-EZ, line 3, but not included in net earnings from self-employment. Do not include this amount on line 12 or 13 below.	11. _____
12. Enter the total of any net income from passive activities (such as income included on Schedule E, line 26, 29a (col. (g)), 34a (col. (d)), or 40). (See instructions below for lines 12 and 13.) Do not include any amount you included on line 11 above.	12. _____
13. Enter the total of any losses from passive activities (such as losses included on Schedule E, line 26, 29b (col. (f)), 34b (col. (c)), or 40). (See instructions below for lines 12 and 13.) Do not include any amount you included on line 11 above.	13. _____
14. Combine the amounts on lines 11, 12 and 13 of this worksheet. (If the result is less than zero, enter -0-.)	14. _____
15. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 14. Enter the total. This is your Investment Income.	15. <u>1,200</u>
16. Is the amount on line 15 more than \$2,950? <input type="checkbox"/> Yes. You cannot take the credit. <input type="checkbox"/> No. Go to <i>Step 3</i> of the Form 1040 instructions for lines 64a and 64b 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 lines 12 and 13. In figuring the amount to enter on lines 12 and 13, 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)—Lines 64a and 64b *Keep for Your Records* 

Use this worksheet if you answered “Yes” to Step 5, question 3, on page 48, and you do not elect to use your 2007 earned income to figure your EIC (see page 48).

- ✓ 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>	<p>1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.</p> <hr/> <p>b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.</p> <hr/> <p>c. Combine lines 1a and 1b.</p> <hr/> <p>d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.</p> <hr/> <p>e. Subtract line 1d from 1c.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 20px;">1a</td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> <tr> <td>+</td> <td>1b</td> <td>4,200</td> <td></td> </tr> <tr> <td>=</td> <td>1c</td> <td>4,200</td> <td></td> </tr> <tr> <td>-</td> <td>1d</td> <td>322</td> <td></td> </tr> <tr> <td>=</td> <td>1e</td> <td>3,878</td> <td></td> </tr> </tbody> </table>	1a				+	1b	4,200		=	1c	4,200		-	1d	322		=	1e	3,878	
1a																						
+	1b	4,200																				
=	1c	4,200																				
-	1d	322																				
=	1e	3,878																				
<p>Part 2</p> <p>Self-Employed NOT Required To File Schedule SE</p> <p><small>For example, your net earnings from self-employment were less than \$400.</small></p>	<p>2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.</p> <p>a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.</p> <hr/> <p>b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1*.</p> <hr/> <p>c. Combine lines 2a and 2b.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 20px;">2a</td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> <tr> <td>+</td> <td>2b</td> <td></td> <td></td> </tr> <tr> <td>=</td> <td>2c</td> <td></td> <td></td> </tr> </tbody> </table> <p><small>*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Enter your name and social security number on Schedule SE and attach it to your return.</small></p>	2a				+	2b			=	2c										
2a																						
+	2b																					
=	2c																					
<p>Part 3</p> <p>Statutory Employees Filing Schedule C or C-EZ</p>	<p>3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 20px;">3</td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> </tbody> </table>	3																			
3																						
<p>Part 4</p> <p>All Filers Using Worksheet B</p> <p><small>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.</small></p>	<p>4a. Enter your earned income from Step 5 on page 48.</p> <hr/> <p>b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.</p> <hr/> <p>If line 4b is zero or less,  You cannot take the credit. Enter “No” on the dotted line next to line 64a.</p> <p>5. If you have:</p> <ul style="list-style-type: none"> ● 2 or more qualifying children, is line 4b less than \$38,646 (\$41,646 if married filing jointly)? ● 1 qualifying child, is line 4b less than \$33,995 (\$36,995 if married filing jointly)? ● No qualifying children, is line 4b less than \$12,880 (\$15,880 if married filing jointly)? <p><input checked="" type="checkbox"/> Yes. If you want the IRS to figure your credit, see page 48. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 52).</p> <p><input type="checkbox"/> No.  You cannot take the credit. Enter “No” on the dotted line next to line 64a.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 20px;">4a</td> <td style="width: 20px;"></td> <td style="width: 20px;">16,000</td> <td style="width: 20px;"></td> </tr> <tr> <td>+</td> <td>4b</td> <td>19,878</td> <td></td> </tr> </tbody> </table>	4a		16,000		+	4b	19,878													
4a		16,000																				
+	4b	19,878																				



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

Worksheet B—Continued from page 51

Keep for Your Records 

Part 5

All Filers Using Worksheet B

6. Enter your total earned income from Part 4, line 4b, on page 51.

6	19,878
----------	--------

7. Look up the amount on line 6 above in the EIC Table on pages 53–60 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	4,585
----------	-------

If line 7 is zero,  You cannot take the credit. Enter “No” on the dotted line next to line 64a.

8. Enter the amount from Form 1040, line 38.

8	19,178
----------	--------

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 \$7,200 (\$10,200 if married filing jointly)?
 • 1 or more qualifying children, is the amount on line 8 less than \$15,750 (\$18,750 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 53–60 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	4,732
-----------	-------

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

Part 7

Your Earned Income Credit

This is your earned income credit.

11	4,585
-----------	-------

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 49 to find out if you must file Form 8862 to take the credit for 2008.



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 2008. 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 2008.

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 Form 1040, line 57, and deducts \$1,625, one-half of his self-employment tax, on Form 1040, line 27.

Victor and Ida read the Form 1040 instructions for lines 64a and 64b, 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 \$41,646 (*Step 1, question 1*). Their investment income (\$200 interest income from a savings account) is less than \$2,950 (*Step 2*). Both of their children are qualifying children (*Step 3, question 1*).

Completing EIC Worksheet B. Because Victor is a member of the clergy, the Browns use EIC Worksheet B in the Form 1040 instructions (shown on pages 40 and 41) 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 lines 64a and 64b. 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 \$41,646, 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 \$2,163. They enter this amount on line 64a of Form 1040 and put "Clergy" on the dotted line next to line 64a.



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

Worksheet B—Earned Income Credit (EIC)—Lines 64a and 64b *Keep for Your Records* 

Use this worksheet if you answered “Yes” to Step 5, question 3, on page 48, and you do not elect to use your 2007 earned income to figure your EIC (see page 48).

- ✓ 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.


Part 1 Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE	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

Part 2 Self-Employed NOT Required To File Schedule SE <small>For example, your net earnings from self-employment were less than \$400.</small>	2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, 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), box 14, code A*.	2a	
	b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1*.	+ 2b	
c. Combine lines 2a and 2b.	= 2c		

*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Enter your name and social security number on Schedule SE and attach it to your return.

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


Part 4 All Filers Using Worksheet B <small>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.</small>	4a. Enter your earned income from Step 5 on page 48.	4a	10,000
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.	4b	31,375

If line 4b is zero or less,  You cannot take the credit. Enter “No” on the dotted line next to line 64a.

5. If you have:

- 2 or more qualifying children, is line 4b less than \$38,646 (\$41,646 if married filing jointly)?
- 1 qualifying child, is line 4b less than \$33,995 (\$36,995 if married filing jointly)?
- No qualifying children, is line 4b less than \$12,880 (\$15,880 if married filing jointly)?

Yes. If you want the IRS to figure your credit, see page 48. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 52).

No.  You cannot take the credit. Enter “No” on the dotted line next to line 64a.

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

Worksheet **B**—Continued from page 51

Keep for Your Records

**Part 5****All Filers Using Worksheet B**

6. Enter your total earned income from Part 4, line 4b, on page 51.

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

7. Look up the amount on line 6 above in the EIC Table on pages 53–60 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	2,163
----------	-------

If line 7 is zero,  You cannot take the credit. Enter "No" on the dotted line next to line 64a.

8. Enter the amount from Form 1040, line 38.

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 \$7,200 (\$10,200 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 8 less than \$15,750 (\$18,750 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 53–60 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	3,385
-----------	-------

Part 7**Your Earned Income Credit**

This is your earned income credit.

11	2,163
-----------	-------

Reminder—

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



Enter this amount on Form 1040, line 64a.



If your EIC for a year after 1996 was reduced or disallowed, see page 49 to find out if you must file Form 8862 to take the credit for 2008.



Appendix

2008 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—		
		No children	One child	Two children
At least	But less than	Your credit is—		
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—					
		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—		
\$1	\$50	\$2	\$9	\$10	\$2	\$9	\$10
50	100	6	26	30	6	26	30
100	150	10	43	50	10	43	50
150	200	13	60	70	13	60	70
200	250	17	77	90	17	77	90
250	300	21	94	110	21	94	110
300	350	25	111	130	25	111	130
350	400	29	128	150	29	128	150
400	450	33	145	170	33	145	170
450	500	36	162	190	36	162	190
500	550	40	179	210	40	179	210
550	600	44	196	230	44	196	230
600	650	48	213	250	48	213	250
650	700	52	230	270	52	230	270
700	750	55	247	290	55	247	290
750	800	59	264	310	59	264	310
800	850	63	281	330	63	281	330
850	900	67	298	350	67	298	350
900	950	71	315	370	71	315	370
950	1,000	75	332	390	75	332	390
1,000	1,050	78	349	410	78	349	410
1,050	1,100	82	366	430	82	366	430
1,100	1,150	86	383	450	86	383	450
1,150	1,200	90	400	470	90	400	470
1,200	1,250	94	417	490	94	417	490
1,250	1,300	98	434	510	98	434	510
1,300	1,350	101	451	530	101	451	530
1,350	1,400	105	468	550	105	468	550
1,400	1,450	109	485	570	109	485	570
1,450	1,500	113	502	590	113	502	590
1,500	1,550	117	519	610	117	519	610
1,550	1,600	120	536	630	120	536	630
1,600	1,650	124	553	650	124	553	650
1,650	1,700	128	570	670	128	570	670
1,700	1,750	132	587	690	132	587	690
1,750	1,800	136	604	710	136	604	710
1,800	1,850	140	621	730	140	621	730
1,850	1,900	143	638	750	143	638	750
1,900	1,950	147	655	770	147	655	770
1,950	2,000	151	672	790	151	672	790

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—		
2,000	2,050	155	689	810	155	689	810
2,050	2,100	159	706	830	159	706	830
2,100	2,150	163	723	850	163	723	850
2,150	2,200	166	740	870	166	740	870
2,200	2,250	170	757	890	170	757	890
2,250	2,300	174	774	910	174	774	910
2,300	2,350	178	791	930	178	791	930
2,350	2,400	182	808	950	182	808	950
2,400	2,450	186	825	970	186	825	970
2,450	2,500	189	842	990	189	842	990
2,500	2,550	193	859	1,010	193	859	1,010
2,550	2,600	197	876	1,030	197	876	1,030
2,600	2,650	201	893	1,050	201	893	1,050
2,650	2,700	205	910	1,070	205	910	1,070
2,700	2,750	208	927	1,090	208	927	1,090
2,750	2,800	212	944	1,110	212	944	1,110
2,800	2,850	216	961	1,130	216	961	1,130
2,850	2,900	220	978	1,150	220	978	1,150
2,900	2,950	224	995	1,170	224	995	1,170
2,950	3,000	228	1,012	1,190	228	1,012	1,190
3,000	3,050	231	1,029	1,210	231	1,029	1,210
3,050	3,100	235	1,046	1,230	235	1,046	1,230
3,100	3,150	239	1,063	1,250	239	1,063	1,250
3,150	3,200	243	1,080	1,270	243	1,080	1,270
3,200	3,250	247	1,097	1,290	247	1,097	1,290
3,250	3,300	251	1,114	1,310	251	1,114	1,310
3,300	3,350	254	1,131	1,330	254	1,131	1,330
3,350	3,400	258	1,148	1,350	258	1,148	1,350
3,400	3,450	262	1,165	1,370	262	1,165	1,370
3,450	3,500	266	1,182	1,390	266	1,182	1,390
3,500	3,550	270	1,199	1,410	270	1,199	1,410
3,550	3,600	273	1,216	1,430	273	1,216	1,430
3,600	3,650	277	1,233	1,450	277	1,233	1,450
3,650	3,700	281	1,250	1,470	281	1,250	1,470
3,700	3,750	285	1,267	1,490	285	1,267	1,490
3,750	3,800	289	1,284	1,510	289	1,284	1,510
3,800	3,850	293	1,301	1,530	293	1,301	1,530
3,850	3,900	296	1,318	1,550	296	1,318	1,550
3,900	3,950	300	1,335	1,570	300	1,335	1,570
3,950	4,000	304	1,352	1,590	304	1,352	1,590

(Continued on page 43)

2008 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—					
		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—		
4,000	4,050	308	1,369	1,610	308	1,369	1,610
4,050	4,100	312	1,386	1,630	312	1,386	1,630
4,100	4,150	316	1,403	1,650	316	1,403	1,650
4,150	4,200	319	1,420	1,670	319	1,420	1,670
4,200	4,250	323	1,437	1,690	323	1,437	1,690
4,250	4,300	327	1,454	1,710	327	1,454	1,710
4,300	4,350	331	1,471	1,730	331	1,471	1,730
4,350	4,400	335	1,488	1,750	335	1,488	1,750
4,400	4,450	339	1,505	1,770	339	1,505	1,770
4,450	4,500	342	1,522	1,790	342	1,522	1,790
4,500	4,550	346	1,539	1,810	346	1,539	1,810
4,550	4,600	350	1,556	1,830	350	1,556	1,830
4,600	4,650	354	1,573	1,850	354	1,573	1,850
4,650	4,700	358	1,590	1,870	358	1,590	1,870
4,700	4,750	361	1,607	1,890	361	1,607	1,890
4,750	4,800	365	1,624	1,910	365	1,624	1,910
4,800	4,850	369	1,641	1,930	369	1,641	1,930
4,850	4,900	373	1,658	1,950	373	1,658	1,950
4,900	4,950	377	1,675	1,970	377	1,675	1,970
4,950	5,000	381	1,692	1,990	381	1,692	1,990
5,000	5,050	384	1,709	2,010	384	1,709	2,010
5,050	5,100	388	1,726	2,030	388	1,726	2,030
5,100	5,150	392	1,743	2,050	392	1,743	2,050
5,150	5,200	396	1,760	2,070	396	1,760	2,070
5,200	5,250	400	1,777	2,090	400	1,777	2,090
5,250	5,300	404	1,794	2,110	404	1,794	2,110
5,300	5,350	407	1,811	2,130	407	1,811	2,130
5,350	5,400	411	1,828	2,150	411	1,828	2,150
5,400	5,450	415	1,845	2,170	415	1,845	2,170
5,450	5,500	419	1,862	2,190	419	1,862	2,190
5,500	5,550	423	1,879	2,210	423	1,879	2,210
5,550	5,600	426	1,896	2,230	426	1,896	2,230
5,600	5,650	430	1,913	2,250	430	1,913	2,250
5,650	5,700	434	1,930	2,270	434	1,930	2,270
5,700	5,750	438	1,947	2,290	438	1,947	2,290
5,750	5,800	438	1,964	2,310	438	1,964	2,310
5,800	5,850	438	1,981	2,330	438	1,981	2,330
5,850	5,900	438	1,998	2,350	438	1,998	2,350
5,900	5,950	438	2,015	2,370	438	2,015	2,370
5,950	6,000	438	2,032	2,390	438	2,032	2,390
6,000	6,050	438	2,049	2,410	438	2,049	2,410
6,050	6,100	438	2,066	2,430	438	2,066	2,430
6,100	6,150	438	2,083	2,450	438	2,083	2,450
6,150	6,200	438	2,100	2,470	438	2,100	2,470
6,200	6,250	438	2,117	2,490	438	2,117	2,490
6,250	6,300	438	2,134	2,510	438	2,134	2,510
6,300	6,350	438	2,151	2,530	438	2,151	2,530
6,350	6,400	438	2,168	2,550	438	2,168	2,550
6,400	6,450	438	2,185	2,570	438	2,185	2,570
6,450	6,500	438	2,202	2,590	438	2,202	2,590
6,500	6,550	438	2,219	2,610	438	2,219	2,610
6,550	6,600	438	2,236	2,630	438	2,236	2,630
6,600	6,650	438	2,253	2,650	438	2,253	2,650
6,650	6,700	438	2,270	2,670	438	2,270	2,670
6,700	6,750	438	2,287	2,690	438	2,287	2,690
6,750	6,800	438	2,304	2,710	438	2,304	2,710
6,800	6,850	438	2,321	2,730	438	2,321	2,730
6,850	6,900	438	2,338	2,750	438	2,338	2,750
6,900	6,950	438	2,355	2,770	438	2,355	2,770
6,950	7,000	438	2,372	2,790	438	2,372	2,790
7,000	7,050	438	2,389	2,810	438	2,389	2,810
7,050	7,100	438	2,406	2,830	438	2,406	2,830
7,100	7,150	438	2,423	2,850	438	2,423	2,850
7,150	7,200	438	2,440	2,870	438	2,440	2,870
7,200	7,250	433	2,457	2,890	438	2,457	2,890
7,250	7,300	429	2,474	2,910	438	2,474	2,910
7,300	7,350	425	2,491	2,930	438	2,491	2,930
7,350	7,400	421	2,508	2,950	438	2,508	2,950
7,400	7,450	417	2,525	2,970	438	2,525	2,970
7,450	7,500	413	2,542	2,990	438	2,542	2,990
7,500	7,550	410	2,559	3,010	438	2,559	3,010
7,550	7,600	406	2,576	3,030	438	2,576	3,030
7,600	7,650	402	2,593	3,050	438	2,593	3,050
7,650	7,700	398	2,610	3,070	438	2,610	3,070
7,700	7,750	394	2,627	3,090	438	2,627	3,090
7,750	7,800	391	2,644	3,110	438	2,644	3,110
7,800	7,850	387	2,661	3,130	438	2,661	3,130
7,850	7,900	383	2,678	3,150	438	2,678	3,150
7,900	7,950	379	2,695	3,170	438	2,695	3,170
7,950	8,000	375	2,712	3,190	438	2,712	3,190
8,000	8,050	371	2,729	3,210	438	2,729	3,210
8,050	8,100	368	2,746	3,230	438	2,746	3,230
8,100	8,150	364	2,763	3,250	438	2,763	3,250
8,150	8,200	360	2,780	3,270	438	2,780	3,270
8,200	8,250	356	2,797	3,290	438	2,797	3,290
8,250	8,300	352	2,814	3,310	438	2,814	3,310
8,300	8,350	348	2,831	3,330	438	2,831	3,330
8,350	8,400	345	2,848	3,350	438	2,848	3,350
8,400	8,450	341	2,865	3,370	438	2,865	3,370
8,450	8,500	337	2,882	3,390	438	2,882	3,390
8,500	8,550	333	2,899	3,410	438	2,899	3,410
8,550	8,600	329	2,917	3,430	438	2,917	3,430
8,600	8,650	326	2,917	3,450	438	2,917	3,450
8,650	8,700	322	2,917	3,470	438	2,917	3,470
8,700	8,750	318	2,917	3,490	438	2,917	3,490
8,750	8,800	314	2,917	3,510	438	2,917	3,510
8,800	8,850	310	2,917	3,530	438	2,917	3,530
8,850	8,900	306	2,917	3,550	438	2,917	3,550
8,900	8,950	303	2,917	3,570	438	2,917	3,570
8,950	9,000	299	2,917	3,590	438	2,917	3,590
9,000	9,050	295	2,917	3,610	438	2,917	3,610
9,050	9,100	291	2,917	3,630	438	2,917	3,630
9,100	9,150	287	2,917	3,650	438	2,917	3,650
9,150	9,200	283	2,917	3,670	438	2,917	3,670
9,200	9,250	280	2,917	3,690	438	2,917	3,690
9,250	9,300	276	2,917	3,710	438	2,917	3,710
9,300	9,350	272	2,917	3,730	438	2,917	3,730
9,350	9,400	268	2,917	3,750	438	2,917	3,750
9,400	9,450	264	2,917	3,770	438	2,917	3,770
9,450	9,500	260	2,917	3,790	438	2,917	3,790
9,500	9,550	257	2,917	3,810	438	2,917	3,810
9,550	9,600	253	2,917	3,830	438	2,917	3,830
9,600	9,650	249	2,917	3,850	438	2,917	3,850
9,650	9,700	245	2,917	3,870	438	2,917	3,870
9,700	9,750	241	2,917	3,890	438	2,917	3,890
9,750	9,800	238	2,917	3,910	438	2,917	3,910
9,800	9,850	234	2,917	3,930	438	2,917	3,930
9,850	9,900	230	2,917	3,950	438	2,917	3,950
9,900	9,950	226	2,917	3,970	438	2,917	3,970
9,950	10,000	222	2,917	3,990	438	2,917	3,990

(Continued on page 44)

2008 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—					
		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—		
10,000	10,050	218	2,917	4,010	438	2,917	4,010
10,050	10,100	215	2,917	4,030	438	2,917	4,030
10,100	10,150	211	2,917	4,050	438	2,917	4,050
10,150	10,200	207	2,917	4,070	438	2,917	4,070
10,200	10,250	203	2,917	4,090	433	2,917	4,090
10,250	10,300	199	2,917	4,110	429	2,917	4,110
10,300	10,350	195	2,917	4,130	425	2,917	4,130
10,350	10,400	192	2,917	4,150	421	2,917	4,150
10,400	10,450	188	2,917	4,170	417	2,917	4,170
10,450	10,500	184	2,917	4,190	413	2,917	4,190
10,500	10,550	180	2,917	4,210	410	2,917	4,210
10,550	10,600	176	2,917	4,230	406	2,917	4,230
10,600	10,650	173	2,917	4,250	402	2,917	4,250
10,650	10,700	169	2,917	4,270	398	2,917	4,270
10,700	10,750	165	2,917	4,290	394	2,917	4,290
10,750	10,800	161	2,917	4,310	391	2,917	4,310
10,800	10,850	157	2,917	4,330	387	2,917	4,330
10,850	10,900	153	2,917	4,350	383	2,917	4,350
10,900	10,950	150	2,917	4,370	379	2,917	4,370
10,950	11,000	146	2,917	4,390	375	2,917	4,390
11,000	11,050	142	2,917	4,410	371	2,917	4,410
11,050	11,100	138	2,917	4,430	368	2,917	4,430
11,100	11,150	134	2,917	4,450	364	2,917	4,450
11,150	11,200	130	2,917	4,470	360	2,917	4,470
11,200	11,250	127	2,917	4,490	356	2,917	4,490
11,250	11,300	123	2,917	4,510	352	2,917	4,510
11,300	11,350	119	2,917	4,530	348	2,917	4,530
11,350	11,400	115	2,917	4,550	345	2,917	4,550
11,400	11,450	111	2,917	4,570	341	2,917	4,570
11,450	11,500	107	2,917	4,590	337	2,917	4,590
11,500	11,550	104	2,917	4,610	333	2,917	4,610
11,550	11,600	100	2,917	4,630	329	2,917	4,630
11,600	11,650	96	2,917	4,650	326	2,917	4,650
11,650	11,700	92	2,917	4,670	322	2,917	4,670
11,700	11,750	88	2,917	4,690	318	2,917	4,690
11,750	11,800	85	2,917	4,710	314	2,917	4,710
11,800	11,850	81	2,917	4,730	310	2,917	4,730
11,850	11,900	77	2,917	4,750	306	2,917	4,750
11,900	11,950	73	2,917	4,770	303	2,917	4,770
11,950	12,000	69	2,917	4,790	299	2,917	4,790
12,000	12,050	65	2,917	4,810	295	2,917	4,810
12,050	12,100	62	2,917	4,824	291	2,917	4,824
12,100	12,150	58	2,917	4,824	287	2,917	4,824
12,150	12,200	54	2,917	4,824	283	2,917	4,824
12,200	12,250	50	2,917	4,824	280	2,917	4,824
12,250	12,300	46	2,917	4,824	276	2,917	4,824
12,300	12,350	42	2,917	4,824	272	2,917	4,824
12,350	12,400	39	2,917	4,824	268	2,917	4,824
12,400	12,450	35	2,917	4,824	264	2,917	4,824
12,450	12,500	31	2,917	4,824	260	2,917	4,824
12,500	12,550	27	2,917	4,824	257	2,917	4,824
12,550	12,600	23	2,917	4,824	253	2,917	4,824
12,600	12,650	20	2,917	4,824	249	2,917	4,824
12,650	12,700	16	2,917	4,824	245	2,917	4,824
12,700	12,750	12	2,917	4,824	241	2,917	4,824
12,750	12,800	8	2,917	4,824	238	2,917	4,824
12,800	12,850	4	2,917	4,824	234	2,917	4,824
12,850	12,900	*	2,917	4,824	230	2,917	4,824
12,900	12,950	0	2,917	4,824	226	2,917	4,824
12,950	13,000	0	2,917	4,824	222	2,917	4,824
13,000	13,050	0	2,917	4,824	218	2,917	4,824
13,050	13,100	0	2,917	4,824	215	2,917	4,824
13,100	13,150	0	2,917	4,824	211	2,917	4,824
13,150	13,200	0	2,917	4,824	207	2,917	4,824
13,200	13,250	0	2,917	4,824	203	2,917	4,824
13,250	13,300	0	2,917	4,824	199	2,917	4,824
13,300	13,350	0	2,917	4,824	195	2,917	4,824
13,350	13,400	0	2,917	4,824	192	2,917	4,824
13,400	13,450	0	2,917	4,824	188	2,917	4,824
13,450	13,500	0	2,917	4,824	184	2,917	4,824
13,500	13,550	0	2,917	4,824	180	2,917	4,824
13,550	13,600	0	2,917	4,824	176	2,917	4,824
13,600	13,650	0	2,917	4,824	173	2,917	4,824
13,650	13,700	0	2,917	4,824	169	2,917	4,824
13,700	13,750	0	2,917	4,824	165	2,917	4,824
13,750	13,800	0	2,917	4,824	161	2,917	4,824
13,800	13,850	0	2,917	4,824	157	2,917	4,824
13,850	13,900	0	2,917	4,824	153	2,917	4,824
13,900	13,950	0	2,917	4,824	150	2,917	4,824
13,950	14,000	0	2,917	4,824	146	2,917	4,824
14,000	14,050	0	2,917	4,824	142	2,917	4,824
14,050	14,100	0	2,917	4,824	138	2,917	4,824
14,100	14,150	0	2,917	4,824	134	2,917	4,824
14,150	14,200	0	2,917	4,824	130	2,917	4,824
14,200	14,250	0	2,917	4,824	127	2,917	4,824
14,250	14,300	0	2,917	4,824	123	2,917	4,824
14,300	14,350	0	2,917	4,824	119	2,917	4,824
14,350	14,400	0	2,917	4,824	115	2,917	4,824
14,400	14,450	0	2,917	4,824	111	2,917	4,824
14,450	14,500	0	2,917	4,824	107	2,917	4,824
14,500	14,550	0	2,917	4,824	104	2,917	4,824
14,550	14,600	0	2,917	4,824	100	2,917	4,824
14,600	14,650	0	2,917	4,824	96	2,917	4,824
14,650	14,700	0	2,917	4,824	92	2,917	4,824
14,700	14,750	0	2,917	4,824	88	2,917	4,824
14,750	14,800	0	2,917	4,824	85	2,917	4,824
14,800	14,850	0	2,917	4,824	81	2,917	4,824
14,850	14,900	0	2,917	4,824	77	2,917	4,824
14,900	14,950	0	2,917	4,824	73	2,917	4,824
14,950	15,000	0	2,917	4,824	69	2,917	4,824
15,000	15,050	0	2,917	4,824	65	2,917	4,824
15,050	15,100	0	2,917	4,824	62	2,917	4,824
15,100	15,150	0	2,917	4,824	58	2,917	4,824
15,150	15,200	0	2,917	4,824	54	2,917	4,824
15,200	15,250	0	2,917	4,824	50	2,917	4,824
15,250	15,300	0	2,917	4,824	46	2,917	4,824
15,300	15,350	0	2,917	4,824	42	2,917	4,824
15,350	15,400	0	2,917	4,824	39	2,917	4,824
15,400	15,450	0	2,917	4,824	35	2,917	4,824
15,450	15,500	0	2,917	4,824	31	2,917	4,824
15,500	15,550	0	2,917	4,824	27	2,917	4,824
15,550	15,600	0	2,917	4,824	23	2,917	4,824
15,600	15,650	0	2,917	4,824	20	2,917	4,824
15,650	15,700	0	2,917	4,824	16	2,917	4,824
15,700	15,750	0	2,917	4,824	12	2,917	4,824
15,750	15,800	0	2,912	4,817	8	2,917	4,824
15,800	15,850	0	2,904	4,806	4	2,917	4,824
15,850	15,900	0	2,896	4,796	*	2,917	4,824
15,900	15,950	0	2,888	4,785	0	2,917	4,824
15,950	16,000	0	2,880	4,775	0	2,917	4,824

*If the amount you are looking up from the worksheet is at least \$12,850 (\$15,850 if married filing jointly) but less than \$12,880 (\$15,880 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

(Continued on page 45)

2008 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—					
		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—		
16,000	16,050	0	2,872	4,764	0	2,917	4,824
16,050	16,100	0	2,864	4,753	0	2,917	4,824
16,100	16,150	0	2,856	4,743	0	2,917	4,824
16,150	16,200	0	2,848	4,732	0	2,917	4,824
16,200	16,250	0	2,840	4,722	0	2,917	4,824
16,250	16,300	0	2,832	4,711	0	2,917	4,824
16,300	16,350	0	2,824	4,701	0	2,917	4,824
16,350	16,400	0	2,816	4,690	0	2,917	4,824
16,400	16,450	0	2,808	4,680	0	2,917	4,824
16,450	16,500	0	2,800	4,669	0	2,917	4,824
16,500	16,550	0	2,792	4,659	0	2,917	4,824
16,550	16,600	0	2,784	4,648	0	2,917	4,824
16,600	16,650	0	2,776	4,638	0	2,917	4,824
16,650	16,700	0	2,768	4,627	0	2,917	4,824
16,700	16,750	0	2,760	4,617	0	2,917	4,824
16,750	16,800	0	2,752	4,606	0	2,917	4,824
16,800	16,850	0	2,744	4,595	0	2,917	4,824
16,850	16,900	0	2,736	4,585	0	2,917	4,824
16,900	16,950	0	2,728	4,574	0	2,917	4,824
16,950	17,000	0	2,720	4,564	0	2,917	4,824
17,000	17,050	0	2,712	4,553	0	2,917	4,824
17,050	17,100	0	2,704	4,543	0	2,917	4,824
17,100	17,150	0	2,696	4,532	0	2,917	4,824
17,150	17,200	0	2,688	4,522	0	2,917	4,824
17,200	17,250	0	2,680	4,511	0	2,917	4,824
17,250	17,300	0	2,672	4,501	0	2,917	4,824
17,300	17,350	0	2,664	4,490	0	2,917	4,824
17,350	17,400	0	2,656	4,480	0	2,917	4,824
17,400	17,450	0	2,648	4,469	0	2,917	4,824
17,450	17,500	0	2,640	4,459	0	2,917	4,824
17,500	17,550	0	2,632	4,448	0	2,917	4,824
17,550	17,600	0	2,624	4,438	0	2,917	4,824
17,600	17,650	0	2,616	4,427	0	2,917	4,824
17,650	17,700	0	2,608	4,416	0	2,917	4,824
17,700	17,750	0	2,600	4,406	0	2,917	4,824
17,750	17,800	0	2,592	4,395	0	2,917	4,824
17,800	17,850	0	2,584	4,385	0	2,917	4,824
17,850	17,900	0	2,576	4,374	0	2,917	4,824
17,900	17,950	0	2,568	4,364	0	2,917	4,824
17,950	18,000	0	2,560	4,353	0	2,917	4,824
18,000	18,050	0	2,552	4,343	0	2,917	4,824
18,050	18,100	0	2,544	4,332	0	2,917	4,824
18,100	18,150	0	2,536	4,322	0	2,917	4,824
18,150	18,200	0	2,528	4,311	0	2,917	4,824
18,200	18,250	0	2,520	4,301	0	2,917	4,824
18,250	18,300	0	2,512	4,290	0	2,917	4,824
18,300	18,350	0	2,504	4,280	0	2,917	4,824
18,350	18,400	0	2,496	4,269	0	2,917	4,824
18,400	18,450	0	2,488	4,259	0	2,917	4,824
18,450	18,500	0	2,480	4,248	0	2,917	4,824
18,500	18,550	0	2,472	4,237	0	2,917	4,824
18,550	18,600	0	2,464	4,227	0	2,917	4,824
18,600	18,650	0	2,456	4,216	0	2,917	4,824
18,650	18,700	0	2,448	4,206	0	2,917	4,824
18,700	18,750	0	2,440	4,195	0	2,917	4,824
18,750	18,800	0	2,432	4,185	0	2,912	4,817
18,800	18,850	0	2,424	4,174	0	2,904	4,806
18,850	18,900	0	2,416	4,164	0	2,896	4,796
18,900	18,950	0	2,408	4,153	0	2,888	4,785
18,950	19,000	0	2,400	4,143	0	2,880	4,775
19,000	19,050	0	2,392	4,132	0	2,872	4,764
19,050	19,100	0	2,384	4,122	0	2,864	4,753
19,100	19,150	0	2,376	4,111	0	2,856	4,743
19,150	19,200	0	2,368	4,101	0	2,848	4,732
19,200	19,250	0	2,360	4,090	0	2,840	4,722
19,250	19,300	0	2,352	4,080	0	2,832	4,711
19,300	19,350	0	2,344	4,069	0	2,824	4,701
19,350	19,400	0	2,336	4,058	0	2,816	4,690
19,400	19,450	0	2,328	4,048	0	2,808	4,680
19,450	19,500	0	2,320	4,037	0	2,800	4,669
19,500	19,550	0	2,312	4,027	0	2,792	4,659
19,550	19,600	0	2,304	4,016	0	2,784	4,648
19,600	19,650	0	2,296	4,006	0	2,776	4,638
19,650	19,700	0	2,288	3,995	0	2,768	4,627
19,700	19,750	0	2,280	3,985	0	2,760	4,617
19,750	19,800	0	2,272	3,974	0	2,752	4,606
19,800	19,850	0	2,264	3,964	0	2,744	4,595
19,850	19,900	0	2,256	3,953	0	2,736	4,585
19,900	19,950	0	2,248	3,943	0	2,728	4,574
19,950	20,000	0	2,240	3,932	0	2,720	4,564
20,000	20,050	0	2,232	3,922	0	2,712	4,553
20,050	20,100	0	2,224	3,911	0	2,704	4,543
20,100	20,150	0	2,216	3,901	0	2,696	4,532
20,150	20,200	0	2,208	3,890	0	2,688	4,522
20,200	20,250	0	2,200	3,879	0	2,680	4,511
20,250	20,300	0	2,193	3,869	0	2,672	4,501
20,300	20,350	0	2,185	3,858	0	2,664	4,490
20,350	20,400	0	2,177	3,848	0	2,656	4,480
20,400	20,450	0	2,169	3,837	0	2,648	4,469
20,450	20,500	0	2,161	3,827	0	2,640	4,459
20,500	20,550	0	2,153	3,816	0	2,632	4,448
20,550	20,600	0	2,145	3,806	0	2,624	4,438
20,600	20,650	0	2,137	3,795	0	2,616	4,427
20,650	20,700	0	2,129	3,785	0	2,608	4,416
20,700	20,750	0	2,121	3,774	0	2,600	4,406
20,750	20,800	0	2,113	3,764	0	2,592	4,395
20,800	20,850	0	2,105	3,753	0	2,584	4,385
20,850	20,900	0	2,097	3,743	0	2,576	4,374
20,900	20,950	0	2,089	3,732	0	2,568	4,364
20,950	21,000	0	2,081	3,722	0	2,560	4,353
21,000	21,050	0	2,073	3,711	0	2,552	4,343
21,050	21,100	0	2,065	3,700	0	2,544	4,332
21,100	21,150	0	2,057	3,690	0	2,536	4,322
21,150	21,200	0	2,049	3,679	0	2,528	4,311
21,200	21,250	0	2,041	3,669	0	2,520	4,301
21,250	21,300	0	2,033	3,658	0	2,512	4,290
21,300	21,350	0	2,025	3,648	0	2,504	4,280
21,350	21,400	0	2,017	3,637	0	2,496	4,269
21,400	21,450	0	2,009	3,627	0	2,488	4,259
21,450	21,500	0	2,001	3,616	0	2,480	4,248
21,500	21,550	0	1,993	3,606	0	2,472	4,237
21,550	21,600	0	1,985	3,595	0	2,464	4,227
21,600	21,650	0	1,977	3,585	0	2,456	4,216
21,650	21,700	0	1,969	3,574	0	2,448	4,206
21,700	21,750	0	1,961	3,564	0	2,440	4,195
21,750	21,800	0	1,953	3,553	0	2,432	4,185
21,800	21,850	0	1,945	3,542	0	2,424	4,174
21,850	21,900	0	1,937	3,532	0	2,416	4,164
21,900	21,950	0	1,929	3,521	0	2,408	4,153
21,950	22,000	0	1,921	3,511	0	2,400	4,143

(Continued on page 46)

2008 Earned Income Credit (EIC) Table—Continued

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—		
22,000	22,050	0	1,913	3,500	0	2,392	4,132
22,050	22,100	0	1,905	3,490	0	2,384	4,122
22,100	22,150	0	1,897	3,479	0	2,376	4,111
22,150	22,200	0	1,889	3,469	0	2,368	4,101
22,200	22,250	0	1,881	3,458	0	2,360	4,090
22,250	22,300	0	1,873	3,448	0	2,352	4,080
22,300	22,350	0	1,865	3,437	0	2,344	4,069
22,350	22,400	0	1,857	3,427	0	2,336	4,058
22,400	22,450	0	1,849	3,416	0	2,328	4,048
22,450	22,500	0	1,841	3,406	0	2,320	4,037
22,500	22,550	0	1,833	3,395	0	2,312	4,027
22,550	22,600	0	1,825	3,385	0	2,304	4,016
22,600	22,650	0	1,817	3,374	0	2,296	4,006
22,650	22,700	0	1,809	3,363	0	2,288	3,995
22,700	22,750	0	1,801	3,353	0	2,280	3,985
22,750	22,800	0	1,793	3,342	0	2,272	3,974
22,800	22,850	0	1,785	3,332	0	2,264	3,964
22,850	22,900	0	1,777	3,321	0	2,256	3,953
22,900	22,950	0	1,769	3,311	0	2,248	3,943
22,950	23,000	0	1,761	3,300	0	2,240	3,932
23,000	23,050	0	1,753	3,290	0	2,232	3,922
23,050	23,100	0	1,745	3,279	0	2,224	3,911
23,100	23,150	0	1,737	3,269	0	2,216	3,901
23,150	23,200	0	1,729	3,258	0	2,208	3,890
23,200	23,250	0	1,721	3,248	0	2,200	3,879
23,250	23,300	0	1,713	3,237	0	2,193	3,869
23,300	23,350	0	1,705	3,227	0	2,185	3,858
23,350	23,400	0	1,697	3,216	0	2,177	3,848
23,400	23,450	0	1,689	3,206	0	2,169	3,837
23,450	23,500	0	1,681	3,195	0	2,161	3,827
23,500	23,550	0	1,673	3,184	0	2,153	3,816
23,550	23,600	0	1,665	3,174	0	2,145	3,806
23,600	23,650	0	1,657	3,163	0	2,137	3,795
23,650	23,700	0	1,649	3,153	0	2,129	3,785
23,700	23,750	0	1,641	3,142	0	2,121	3,774
23,750	23,800	0	1,633	3,132	0	2,113	3,764
23,800	23,850	0	1,625	3,121	0	2,105	3,753
23,850	23,900	0	1,617	3,111	0	2,097	3,743
23,900	23,950	0	1,609	3,100	0	2,089	3,732
23,950	24,000	0	1,601	3,090	0	2,081	3,722
24,000	24,050	0	1,593	3,079	0	2,073	3,711
24,050	24,100	0	1,585	3,069	0	2,065	3,700
24,100	24,150	0	1,577	3,058	0	2,057	3,690
24,150	24,200	0	1,569	3,048	0	2,049	3,679
24,200	24,250	0	1,561	3,037	0	2,041	3,669
24,250	24,300	0	1,553	3,027	0	2,033	3,658
24,300	24,350	0	1,545	3,016	0	2,025	3,648
24,350	24,400	0	1,537	3,005	0	2,017	3,637
24,400	24,450	0	1,529	2,995	0	2,009	3,627
24,450	24,500	0	1,521	2,984	0	2,001	3,616
24,500	24,550	0	1,513	2,974	0	1,993	3,606
24,550	24,600	0	1,505	2,963	0	1,985	3,595
24,600	24,650	0	1,497	2,953	0	1,977	3,585
24,650	24,700	0	1,489	2,942	0	1,969	3,574
24,700	24,750	0	1,481	2,932	0	1,961	3,564
24,750	24,800	0	1,473	2,921	0	1,953	3,553
24,800	24,850	0	1,465	2,911	0	1,945	3,542
24,850	24,900	0	1,457	2,900	0	1,937	3,532
24,900	24,950	0	1,449	2,890	0	1,929	3,521
24,950	25,000	0	1,441	2,879	0	1,921	3,511

(Caution. This is not a tax table.)

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—		
25,000	25,050	0	1,433	2,869	0	1,913	3,500
25,050	25,100	0	1,425	2,858	0	1,905	3,490
25,100	25,150	0	1,417	2,848	0	1,897	3,479
25,150	25,200	0	1,409	2,837	0	1,889	3,469
25,200	25,250	0	1,401	2,826	0	1,881	3,458
25,250	25,300	0	1,394	2,816	0	1,873	3,448
25,300	25,350	0	1,386	2,805	0	1,865	3,437
25,350	25,400	0	1,378	2,795	0	1,857	3,427
25,400	25,450	0	1,370	2,784	0	1,849	3,416
25,450	25,500	0	1,362	2,774	0	1,841	3,406
25,500	25,550	0	1,354	2,763	0	1,833	3,395
25,550	25,600	0	1,346	2,753	0	1,825	3,385
25,600	25,650	0	1,338	2,742	0	1,817	3,374
25,650	25,700	0	1,330	2,732	0	1,809	3,363
25,700	25,750	0	1,322	2,721	0	1,801	3,353
25,750	25,800	0	1,314	2,711	0	1,793	3,342
25,800	25,850	0	1,306	2,700	0	1,785	3,332
25,850	25,900	0	1,298	2,690	0	1,777	3,321
25,900	25,950	0	1,290	2,679	0	1,769	3,311
25,950	26,000	0	1,282	2,669	0	1,761	3,300
26,000	26,050	0	1,274	2,658	0	1,753	3,290
26,050	26,100	0	1,266	2,647	0	1,745	3,279
26,100	26,150	0	1,258	2,637	0	1,737	3,269
26,150	26,200	0	1,250	2,626	0	1,729	3,258
26,200	26,250	0	1,242	2,616	0	1,721	3,248
26,250	26,300	0	1,234	2,605	0	1,713	3,237
26,300	26,350	0	1,226	2,595	0	1,705	3,227
26,350	26,400	0	1,218	2,584	0	1,697	3,216
26,400	26,450	0	1,210	2,574	0	1,689	3,206
26,450	26,500	0	1,202	2,563	0	1,681	3,195
26,500	26,550	0	1,194	2,553	0	1,673	3,184
26,550	26,600	0	1,186	2,542	0	1,665	3,174
26,600	26,650	0	1,178	2,532	0	1,657	3,163
26,650	26,700	0	1,170	2,521	0	1,649	3,153
26,700	26,750	0	1,162	2,511	0	1,641	3,142
26,750	26,800	0	1,154	2,500	0	1,633	3,132
26,800	26,850	0	1,146	2,489	0	1,625	3,121
26,850	26,900	0	1,138	2,479	0	1,617	3,111
26,900	26,950	0	1,130	2,468	0	1,609	3,100
26,950	27,000	0	1,122	2,458	0	1,601	3,090
27,000	27,050	0	1,114	2,447	0	1,593	3,079
27,050	27,100	0	1,106	2,437	0	1,585	3,069
27,100	27,150	0	1,098	2,426	0	1,577	3,058
27,150	27,200	0	1,090	2,416	0	1,569	3,048
27,200	27,250	0	1,082	2,405	0	1,561	3,037
27,250	27,300	0	1,074	2,395	0	1,553	3,027
27,300	27,350	0	1,066	2,384	0	1,545	3,016
27,350	27,400	0	1,058	2,374	0	1,537	3,005
27,400	27,450	0	1,050	2,363	0	1,529	2,995
27,450	27,500	0	1,042	2,353	0	1,521	2,984
27,500	27,550	0	1,034	2,342	0	1,513	2,974
27,550	27,600	0	1,026	2,332	0	1,505	2,963
27,600	27,650	0	1,018	2,321	0	1,497	2,953
27,650	27,700	0	1,010	2,310	0	1,489	2,942
27,700	27,750	0	1,002	2,300	0	1,481	2,932
27,750	27,800	0	994	2,289	0	1,473	2,921
27,800	27,850	0	986	2,279	0	1,465	2,911
27,850	27,900	0	978	2,268	0	1,457	2,900
27,900	27,950	0	970	2,258	0	1,449	2,890
27,950	28,000	0	962	2,247	0	1,441	2,879

(Continued on page 47)

2008 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—					
		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—		
28,000	28,050	0	954	2,237	0	1,433	2,869
28,050	28,100	0	946	2,226	0	1,425	2,858
28,100	28,150	0	938	2,216	0	1,417	2,848
28,150	28,200	0	930	2,205	0	1,409	2,837
28,200	28,250	0	922	2,195	0	1,401	2,826
28,250	28,300	0	914	2,184	0	1,394	2,816
28,300	28,350	0	906	2,174	0	1,386	2,805
28,350	28,400	0	898	2,163	0	1,378	2,795
28,400	28,450	0	890	2,153	0	1,370	2,784
28,450	28,500	0	882	2,142	0	1,362	2,774
28,500	28,550	0	874	2,131	0	1,354	2,763
28,550	28,600	0	866	2,121	0	1,346	2,753
28,600	28,650	0	858	2,110	0	1,338	2,742
28,650	28,700	0	850	2,100	0	1,330	2,732
28,700	28,750	0	842	2,089	0	1,322	2,721
28,750	28,800	0	834	2,079	0	1,314	2,711
28,800	28,850	0	826	2,068	0	1,306	2,700
28,850	28,900	0	818	2,058	0	1,298	2,690
28,900	28,950	0	810	2,047	0	1,290	2,679
28,950	29,000	0	802	2,037	0	1,282	2,669
29,000	29,050	0	794	2,026	0	1,274	2,658
29,050	29,100	0	786	2,016	0	1,266	2,647
29,100	29,150	0	778	2,005	0	1,258	2,637
29,150	29,200	0	770	1,995	0	1,250	2,626
29,200	29,250	0	762	1,984	0	1,242	2,616
29,250	29,300	0	754	1,974	0	1,234	2,605
29,300	29,350	0	746	1,963	0	1,226	2,595
29,350	29,400	0	738	1,952	0	1,218	2,584
29,400	29,450	0	730	1,942	0	1,210	2,574
29,450	29,500	0	722	1,931	0	1,202	2,563
29,500	29,550	0	714	1,921	0	1,194	2,553
29,550	29,600	0	706	1,910	0	1,186	2,542
29,600	29,650	0	698	1,900	0	1,178	2,532
29,650	29,700	0	690	1,889	0	1,170	2,521
29,700	29,750	0	682	1,879	0	1,162	2,511
29,750	29,800	0	674	1,868	0	1,154	2,500
29,800	29,850	0	666	1,858	0	1,146	2,489
29,850	29,900	0	658	1,847	0	1,138	2,479
29,900	29,950	0	650	1,837	0	1,130	2,468
29,950	30,000	0	642	1,826	0	1,122	2,458
30,000	30,050	0	634	1,816	0	1,114	2,447
30,050	30,100	0	626	1,805	0	1,106	2,437
30,100	30,150	0	618	1,795	0	1,098	2,426
30,150	30,200	0	610	1,784	0	1,090	2,416
30,200	30,250	0	602	1,773	0	1,082	2,405
30,250	30,300	0	595	1,763	0	1,074	2,395
30,300	30,350	0	587	1,752	0	1,066	2,384
30,350	30,400	0	579	1,742	0	1,058	2,374
30,400	30,450	0	571	1,731	0	1,050	2,363
30,450	30,500	0	563	1,721	0	1,042	2,353
30,500	30,550	0	555	1,710	0	1,034	2,342
30,550	30,600	0	547	1,700	0	1,026	2,332
30,600	30,650	0	539	1,689	0	1,018	2,321
30,650	30,700	0	531	1,679	0	1,010	2,310
30,700	30,750	0	523	1,668	0	1,002	2,300
30,750	30,800	0	515	1,658	0	994	2,289
30,800	30,850	0	507	1,647	0	986	2,279
30,850	30,900	0	499	1,637	0	978	2,268
30,900	30,950	0	491	1,626	0	970	2,258
30,950	31,000	0	483	1,616	0	962	2,247
31,000	31,050	0	475	1,605	0	954	2,237
31,050	31,100	0	467	1,594	0	946	2,226
31,100	31,150	0	459	1,584	0	938	2,216
31,150	31,200	0	451	1,573	0	930	2,205
31,200	31,250	0	443	1,563	0	922	2,195
31,250	31,300	0	435	1,552	0	914	2,184
31,300	31,350	0	427	1,542	0	906	2,174
31,350	31,400	0	419	1,531	0	898	2,163
31,400	31,450	0	411	1,521	0	890	2,153
31,450	31,500	0	403	1,510	0	882	2,142
31,500	31,550	0	395	1,500	0	874	2,131
31,550	31,600	0	387	1,489	0	866	2,121
31,600	31,650	0	379	1,479	0	858	2,110
31,650	31,700	0	371	1,468	0	850	2,100
31,700	31,750	0	363	1,458	0	842	2,089
31,750	31,800	0	355	1,447	0	834	2,079
31,800	31,850	0	347	1,436	0	826	2,068
31,850	31,900	0	339	1,426	0	818	2,058
31,900	31,950	0	331	1,415	0	810	2,047
31,950	32,000	0	323	1,405	0	802	2,037
32,000	32,050	0	315	1,394	0	794	2,026
32,050	32,100	0	307	1,384	0	786	2,016
32,100	32,150	0	299	1,373	0	778	2,005
32,150	32,200	0	291	1,363	0	770	1,995
32,200	32,250	0	283	1,352	0	762	1,984
32,250	32,300	0	275	1,342	0	754	1,974
32,300	32,350	0	267	1,331	0	746	1,963
32,350	32,400	0	259	1,321	0	738	1,952
32,400	32,450	0	251	1,310	0	730	1,942
32,450	32,500	0	243	1,300	0	722	1,931
32,500	32,550	0	235	1,289	0	714	1,921
32,550	32,600	0	227	1,279	0	706	1,910
32,600	32,650	0	219	1,268	0	698	1,900
32,650	32,700	0	211	1,257	0	690	1,889
32,700	32,750	0	203	1,247	0	682	1,879
32,750	32,800	0	195	1,236	0	674	1,868
32,800	32,850	0	187	1,226	0	666	1,858
32,850	32,900	0	179	1,215	0	658	1,847
32,900	32,950	0	171	1,205	0	650	1,837
32,950	33,000	0	163	1,194	0	642	1,826
33,000	33,050	0	155	1,184	0	634	1,816
33,050	33,100	0	147	1,173	0	626	1,805
33,100	33,150	0	139	1,163	0	618	1,795
33,150	33,200	0	131	1,152	0	610	1,784
33,200	33,250	0	123	1,142	0	602	1,773
33,250	33,300	0	115	1,131	0	595	1,763
33,300	33,350	0	107	1,121	0	587	1,752
33,350	33,400	0	99	1,110	0	579	1,742
33,400	33,450	0	91	1,100	0	571	1,731
33,450	33,500	0	83	1,089	0	563	1,721
33,500	33,550	0	75	1,078	0	555	1,710
33,550	33,600	0	67	1,068	0	547	1,700
33,600	33,650	0	59	1,057	0	539	1,689
33,650	33,700	0	51	1,047	0	531	1,679
33,700	33,750	0	43	1,036	0	523	1,668
33,750	33,800	0	35	1,026	0	515	1,658
33,800	33,850	0	27	1,015	0	507	1,647
33,850	33,900	0	19	1,005	0	499	1,637
33,900	33,950	0	11	994	0	491	1,626
33,950	34,000	0	*	984	0	483	1,616

*If the amount you are looking up from the worksheet is at least \$33,950, but less than \$33,995, your credit is \$4. Otherwise, you cannot take the credit.

(Continued on page 48)

2008 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—					
		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—		
34,000	34,050	0	0	973	0	475	1,605
34,050	34,100	0	0	963	0	467	1,594
34,100	34,150	0	0	952	0	459	1,584
34,150	34,200	0	0	942	0	451	1,573
34,200	34,250	0	0	931	0	443	1,563
34,250	34,300	0	0	921	0	435	1,552
34,300	34,350	0	0	910	0	427	1,542
34,350	34,400	0	0	899	0	419	1,531
34,400	34,450	0	0	889	0	411	1,521
34,450	34,500	0	0	878	0	403	1,510
34,500	34,550	0	0	868	0	395	1,500
34,550	34,600	0	0	857	0	387	1,489
34,600	34,650	0	0	847	0	379	1,479
34,650	34,700	0	0	836	0	371	1,468
34,700	34,750	0	0	826	0	363	1,458
34,750	34,800	0	0	815	0	355	1,447
34,800	34,850	0	0	805	0	347	1,436
34,850	34,900	0	0	794	0	339	1,426
34,900	34,950	0	0	784	0	331	1,415
34,950	35,000	0	0	773	0	323	1,405
35,000	35,050	0	0	763	0	315	1,394
35,050	35,100	0	0	752	0	307	1,384
35,100	35,150	0	0	742	0	299	1,373
35,150	35,200	0	0	731	0	291	1,363
35,200	35,250	0	0	720	0	283	1,352
35,250	35,300	0	0	710	0	275	1,342
35,300	35,350	0	0	699	0	267	1,331
35,350	35,400	0	0	689	0	259	1,321
35,400	35,450	0	0	678	0	251	1,310
35,450	35,500	0	0	668	0	243	1,300
35,500	35,550	0	0	657	0	235	1,289
35,550	35,600	0	0	647	0	227	1,279
35,600	35,650	0	0	636	0	219	1,268
35,650	35,700	0	0	626	0	211	1,257
35,700	35,750	0	0	615	0	203	1,247
35,750	35,800	0	0	605	0	195	1,236
35,800	35,850	0	0	594	0	187	1,226
35,850	35,900	0	0	584	0	179	1,215
35,900	35,950	0	0	573	0	171	1,205
35,950	36,000	0	0	563	0	163	1,194
36,000	36,050	0	0	552	0	155	1,184
36,050	36,100	0	0	541	0	147	1,173
36,100	36,150	0	0	531	0	139	1,163
36,150	36,200	0	0	520	0	131	1,152
36,200	36,250	0	0	510	0	123	1,142
36,250	36,300	0	0	499	0	115	1,131
36,300	36,350	0	0	489	0	107	1,121
36,350	36,400	0	0	478	0	99	1,110
36,400	36,450	0	0	468	0	91	1,100
36,450	36,500	0	0	457	0	83	1,089
36,500	36,550	0	0	447	0	75	1,078
36,550	36,600	0	0	436	0	67	1,068
36,600	36,650	0	0	426	0	59	1,057
36,650	36,700	0	0	415	0	51	1,047
36,700	36,750	0	0	405	0	43	1,036
36,750	36,800	0	0	394	0	35	1,026
36,800	36,850	0	0	383	0	27	1,015
36,850	36,900	0	0	373	0	19	1,005
36,900	36,950	0	0	362	0	11	994
36,950	37,000	0	0	352	0	*	984
37,000	37,050	0	0	341	0	0	973
37,050	37,100	0	0	331	0	0	963
37,100	37,150	0	0	320	0	0	952
37,150	37,200	0	0	310	0	0	942
37,200	37,250	0	0	299	0	0	931
37,250	37,300	0	0	289	0	0	921
37,300	37,350	0	0	278	0	0	910
37,350	37,400	0	0	268	0	0	899
37,400	37,450	0	0	257	0	0	889
37,450	37,500	0	0	247	0	0	878
37,500	37,550	0	0	236	0	0	868
37,550	37,600	0	0	226	0	0	857
37,600	37,650	0	0	215	0	0	847
37,650	37,700	0	0	204	0	0	836
37,700	37,750	0	0	194	0	0	826
37,750	37,800	0	0	183	0	0	815
37,800	37,850	0	0	173	0	0	805
37,850	37,900	0	0	162	0	0	794
37,900	37,950	0	0	152	0	0	784
37,950	38,000	0	0	141	0	0	773
38,000	38,050	0	0	131	0	0	763
38,050	38,100	0	0	120	0	0	752
38,100	38,150	0	0	110	0	0	742
38,150	38,200	0	0	99	0	0	731
38,200	38,250	0	0	89	0	0	720
38,250	38,300	0	0	78	0	0	710
38,300	38,350	0	0	68	0	0	699
38,350	38,400	0	0	57	0	0	689
38,400	38,450	0	0	47	0	0	678
38,450	38,500	0	0	36	0	0	668
38,500	38,550	0	0	25	0	0	657
38,550	38,600	0	0	15	0	0	647
38,600	38,650	0	0	**	0	0	636
38,650	38,700	0	0	0	0	0	626
38,700	38,750	0	0	0	0	0	615
38,750	38,800	0	0	0	0	0	605
38,800	38,850	0	0	0	0	0	594
38,850	38,900	0	0	0	0	0	584
38,900	38,950	0	0	0	0	0	573
38,950	39,000	0	0	0	0	0	563
39,000	39,050	0	0	0	0	0	552
39,050	39,100	0	0	0	0	0	541
39,100	39,150	0	0	0	0	0	531
39,150	39,200	0	0	0	0	0	520
39,200	39,250	0	0	0	0	0	510
39,250	39,300	0	0	0	0	0	499
39,300	39,350	0	0	0	0	0	489
39,350	39,400	0	0	0	0	0	478
39,400	39,450	0	0	0	0	0	468
39,450	39,500	0	0	0	0	0	457
39,500	39,550	0	0	0	0	0	447
39,550	39,600	0	0	0	0	0	436
39,600	39,650	0	0	0	0	0	426
39,650	39,700	0	0	0	0	0	415
39,700	39,750	0	0	0	0	0	405
39,750	39,800	0	0	0	0	0	394
39,800	39,850	0	0	0	0	0	383
39,850	39,900	0	0	0	0	0	373
39,900	39,950	0	0	0	0	0	362
39,950	40,000	0	0	0	0	0	352

*If the amount you are looking up from the worksheet is at least \$36,950 but less than \$36,995, your credit is \$4. Otherwise, you cannot take the credit.

**If the amount you are looking up from the worksheet is at least \$38,600 but less than \$38,646, your credit is \$5. Otherwise, you cannot take the credit.

(Continued on page 49)

2008 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—					
		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—		
40,000	40,050	0	0	0	0	0	341
40,050	40,100	0	0	0	0	0	331
40,100	40,150	0	0	0	0	0	320
40,150	40,200	0	0	0	0	0	310
40,200	40,250	0	0	0	0	0	299
40,250	40,300	0	0	0	0	0	289
40,300	40,350	0	0	0	0	0	278
40,350	40,400	0	0	0	0	0	268
40,400	40,450	0	0	0	0	0	257
40,450	40,500	0	0	0	0	0	247
40,500	40,550	0	0	0	0	0	236
40,550	40,600	0	0	0	0	0	226
40,600	40,650	0	0	0	0	0	215
40,650	40,700	0	0	0	0	0	204
40,700	40,750	0	0	0	0	0	194
40,750	40,800	0	0	0	0	0	183
40,800	40,850	0	0	0	0	0	173
40,850	40,900	0	0	0	0	0	162
40,900	40,950	0	0	0	0	0	152
40,950	41,000	0	0	0	0	0	141

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—		
41,000	41,050	0	0	0	0	0	131
41,050	41,100	0	0	0	0	0	120
41,100	41,150	0	0	0	0	0	110
41,150	41,200	0	0	0	0	0	99
41,200	41,250	0	0	0	0	0	89
41,250	41,300	0	0	0	0	0	78
41,300	41,350	0	0	0	0	0	68
41,350	41,400	0	0	0	0	0	57
41,400	41,450	0	0	0	0	0	47
41,450	41,500	0	0	0	0	0	36
41,500	41,550	0	0	0	0	0	25
41,550	41,600	0	0	0	0	0	15
41,600	41,646	0	0	0	0	0	5

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get 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. The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, The Taxpayer Advocate Service - Your Voice at the IRS. You can file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), which is available on our website, or by calling the IRS forms number at 1-800-829-3676 or you may ask an IRS employee to complete it on your behalf. For more information, go to www.irs.gov/advocate.

Low Income Taxpayer Clinics (LITCs). LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers who speak English as a second language. Publication 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at www.irs.gov or your local IRS office.

Free tax services. To find out what services are available, get Publication 910, IRS Guide to Free Tax Services. It contains lists of free tax information sources, including publications, services, and free tax education and assistance programs. It also has an index of over 100 TeleTax topics (recorded tax information) you can listen to on your telephone.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.

Free help with your return. Free help in preparing your return is available nationwide from IRS-trained volunteers. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers and the Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 and older with their tax returns. Many VITA sites offer free electronic filing and all volunteers will let you know about credits and deductions you may be entitled to claim. To find the nearest VITA or TCE site, call 1-800-829-1040.

As part of the TCE program, AARP offers the Tax-Aide counseling program. To find the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit AARP's website at www.aarp.org/money/taxaide.

For more information on these programs, go to www.irs.gov and enter keyword "VITA" in the upper right-hand corner.



Internet. You can access the IRS website at www.irs.gov 24 hours a day, 7 days a week to:

- *E-file* your return. Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers.

- Check the status of your 2008 refund. Go to www.irs.gov and click on *Where's My Refund*. Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2008 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Figure your withholding allowances using the withholding calculator online at www.irs.gov/individuals.
- Determine if Form 6251 must be filed by using our Alternative Minimum Tax (AMT) Assistant.
- Sign up to receive local and national tax news by email.
- Get information on starting and operating a small business.



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/localcontacts 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 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.* To check the status of your 2008 refund, call 1-800-829-1954 during business hours or 1-800-829-4477 (automated refund information 24 hours a day, 7 days a week). Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2008 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund. Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.
- *Other refund information.* To check the status of a prior year refund or amended return refund, call 1-800-829-1954.

Evaluating the quality of our telephone services. To ensure 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 listen

in on or record random 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 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 for personal, face-to-face tax help. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you are more comfortable talking with someone in person, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative face-to-face. No appointment is necessary—just walk in. If you prefer, you can call your local Center and leave a message requesting an appointment to resolve a tax account issue. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. If you have an ongoing, complex tax account problem or a special need, such as a disability, an appointment can be requested. All other issues will be handled without an appointment. To find the number of your local office, go to www.irs.gov/localcontacts 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 address below. You should receive a response within 10 days after your request is received.

*Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613*



DVD for tax products. *You can order Publication 1796, IRS Tax Products DVD, and obtain:*

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Internal Revenue Code—Title 26.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- The DVD is released twice during the year.
 - The first release will ship the beginning of January 2009.
 - The final release will ship the beginning of March 2009.

Purchase the DVD from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$30 (no handling fee) or call 1-877-233-6767 toll free to buy the DVD for \$30

(plus a \$6 handling fee). The price is discounted to \$25 for orders placed prior to December 1, 2008.



Small Business Resource Guide 2009. *This online guide is a must for every small business owner or any taxpayer about to start a business. This year's guide includes:*

- Helpful information, such as how to prepare a business plan, find financing for your business, and much more.
- All the business tax forms, instructions, and publications needed to successfully manage a business.
- Tax law changes for 2009.
- Tax Map: an electronic research tool and finding aid.
- Web links to various government agencies, business associations, and IRS organizations.
- “Rate the Product” survey—your opportunity to suggest changes for future editions.
- A site map of the guide to help you navigate the pages with ease.
- An interactive “Teens in Biz” module that gives practical tips for teens about starting their own business, creating a business plan, and filing taxes.

The information is updated during the year. Visit www.irs.gov and enter keyword “SBRG” in the upper right-hand corner for more information.

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EIC Eligibility Checklist

<i>You may claim the EIC if you answer “Yes” to all the following questions.*</i>		
	Yes	No
<p>1. Is your AGI less than:</p> <ul style="list-style-type: none"> • \$12,880 (\$15,880 for married filing jointly) if you do not have a qualifying child, • \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or • \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child? (See Rule 1.) 	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you, your spouse, and your qualifying child each have a valid SSN? (See Rule 2.)	<input type="checkbox"/>	<input type="checkbox"/>
<p>3. Is your filing status married filing jointly, head of household, qualifying widow(er), or single? (See Rule 3.)</p> <p>Caution: If you or your spouse is a nonresident alien, answer “Yes” only if your filing status is married filing jointly. (See Rule 4.)</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 Rule 5.)	<input type="checkbox"/>	<input type="checkbox"/>
5. Is your investment income \$2,950 or less? (See Rule 6.)	<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"> • \$12,880 (\$15,880 for married filing jointly) if you do not have a qualifying child, • \$33,995 (\$36,995 for married filing jointly) if you have one qualifying child, or • \$38,646 (\$41,646 for married filing jointly) if you have more than one qualifying child? (See Rules 7 and 15.) 	<input type="checkbox"/>	<input type="checkbox"/>
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 Rules 10 and 13.)	<input type="checkbox"/>	<input type="checkbox"/>
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.*		
8. Does your child meet the age, residency, and relationship tests for a qualifying child? (See Rule 8.)	<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 the other person is not claiming any child-related tax benefits using that child. Answer “No” if you do not know whether the other person is claiming any child-related tax benefits using that child.	<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 2008? (See Rule 11.)	<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 Rule 12.)	<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 Rule 14.)	<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. If you answered “Yes” to questions 1 through 8 and “No” to question 9, see Rule 9 to help you determine whether you can claim the EIC. If you answered “Yes” to questions 1 through 7 and “No” to question 8, answer questions 10 through 12 to see if you can claim the EIC without a qualifying child.</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>		