



Department of the Treasury
Internal Revenue Service

Publication 596

Cat. No. 15173A

Earned Income Credit (EIC)

For use in preparing **2002** Returns

**ARE YOU
ELIGIBLE**

Look inside for...

- Detailed Examples
- Eligibility Requirements
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Introduction – Begin Here

What is the EIC?

The earned income credit (EIC) is a tax credit for certain people who work and have earned income under \$34,178. 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 both the rules 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. You must have a valid social security number. (See page 5.)</p> <p>2. Your filing status cannot be “Married filing separately.” (See page 6.)</p> <p>3. You must be a U.S. citizen or resident alien all year. (See page 6.)</p> <p>4. You cannot file Form 2555 or Form 2555–EZ (relating to foreign earned income). (See page 6.)</p> <p>5. Your investment income must be \$2,550 or less. (See page 6.)</p> <p>6. You must have earned income. (See page 8.)</p>	<p>7. Your child must meet the relationship, age, and residency tests. (See page 10.)</p> <p>8. Your qualifying child cannot be used by more than one person to claim the EIC. (See page 14.)</p> <p>9. You cannot be a qualifying child of another person. (See page 15.)</p>	<p>10. You must be at least age 25 but under age 65. (See page 17.)</p> <p>11. You cannot be the dependent of another person. (See page 17.)</p> <p>12. You cannot be a qualifying child of another person. (See page 18.)</p> <p>13. You must have lived in the United States more than half of the year. (See page 18.)</p>	<p>14. Your adjusted gross income (AGI) must be less than:</p> <ul style="list-style-type: none"> •\$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child, •\$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or •\$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child. (See page 19.) 	<p>15. Your earned income must be less than:</p> <ul style="list-style-type: none"> •\$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child, •\$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or •\$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child. (See page 20.)

Do I Need This Publication?

Although everyone can use this publication to figure their EIC, most people can choose to follow the steps in their tax form instructions instead.

Certain people must use this publication, instead of their form instructions, to see if they meet the rules to take the EIC. You are one of those people if you were sent here from *Step 2* or *Step 3* of the instructions for Form 1040 or Form 1040A.

What If I Was Sent Here From the Instructions for Form 1040 or Form 1040A?

If you were sent here from the instructions for Form 1040 or Form 1040A, you have met at least the first four rules to claim the credit. You can now go to *Rule 5* on page 6.

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 *EIC Worksheet A* or *B* in chapter 4. Or, you can complete a worksheet in the instructions for the form you file.

How Can I Quickly Locate Specific Information?

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

How Can I Get EIC In My Paycheck In the Year 2003?

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.

Important Changes

New definition of earned income. Earned income no longer includes nontaxable employee compensation. See *Rule 6* and *Rule 15*.

Elimination of modified adjusted gross income (AGI). You no longer need to figure modified AGI. Your EIC is figured using your AGI, *not* modified AGI. See *Rule 14*.

New rules for persons with same qualifying child. New rules determine which person can claim the EIC on the basis of a qualifying child when two or more persons have the same qualifying child and both claim the credit using that child. See *Rule 8*.

New definition of eligible foster child. There is a new definition of an eligible foster child in *Rule 7*. The child has to live with you only for more than half of the year, instead of the whole year.

Reduction of EIC by alternative minimum tax eliminated. Your EIC is no longer reduced by the amount of alternative minimum tax shown on your return.

Increased EIC on certain joint returns. A married person filing a joint return now may get more EIC than someone with the same income but a different filing status. As a result, the EIC table now 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.

Important Reminders

Earned income credit has no effect on certain welfare benefits. Any refund you receive because of the EIC and any advance EIC payments you receive will not be considered income when determining whether you are eligible for the following benefit programs, or how much you can receive from these programs. However, if the amounts you receive are not spent within a certain period of time, they may count as an asset (or resource) and affect your eligibility.

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

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

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

Reporting advance payments of EIC received in 2002. If you received advance payments of EIC in 2002, 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 59 (Form 1040) or line 37 (Form 1040A).

Figure 1. Reporting Advance EIC

a Control number		22222	Void <input type="checkbox"/>	For Official Use OMB No. 1545-0047	
b Employer identification number				Federal income tax withheld	
c Employer's name, address, and ZIP code				3	\$
d Employee's social security number				4	\$
e Employee's first name and initial		Last name		5	\$
				6	\$
				7	\$
				8	\$
				9	\$
				10	\$
				11	\$
				12a	\$
				12b	\$
				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	

9 Advance EIC payment

W-2 Wage and Tax Statement

2002

Form **W-2** Wage and Tax Statement

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

(Rev. February 2002)

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Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

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

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the

photographs and calling **1-800-THE-LOST (1-800-843-5678)** if you recognize a child.

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

You can e-mail us while visiting our web site at **www.irs.gov**.

You can write to us at the following address:

Internal Revenue Service
Tax Forms and Publications
W:CAR:MP:FP
1111 Constitution Ave. NW
Washington, DC 20224

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

Chapter 1. Rules for Everyone



This chapter discusses Rules 1 through 6. You must meet all six rules to qualify for the earned income credit. If you do not meet all six rules, you cannot get the credit and you do not need to read the rest of the publication.

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

Rule 1. Social Security Number (SSN)

Rule 1 You Must Have a Valid Social Security Number (SSN)

Valid SSN. To claim the EIC, you (and your spouse, if filing a joint return) **must** have a valid SSN issued by the Social Security Administration (SSA). Any qualifying child listed on Schedule EIC must also have a valid SSN. (See *Rule 7* 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.

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

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

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

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

No SSN. If you do not have a valid SSN, put "No" directly to the right of line 64 (Form 1040), line 41 (Form 1040A), or print "No" on line 8 (Form 1040EZ). You cannot claim the EIC.

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

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

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

claiming the EIC. Attach a filled-in Schedule EIC, *Earned Income Credit*, if you have a qualifying child.

Rule 2.
Married Person's Filing Status

Rule 2 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 3.
Nonresident Alien

Rule 3 You Must Be a U.S. Citizen or Resident Alien All Year

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

- 1) You are married to a U.S. citizen or a resident alien, **and**
- 2) You choose to be treated as a resident for all of 2002 by filing a joint return. If you need more information on making this choice, get Publication 519, *U.S. Tax Guide for Aliens*.

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

Rule 4.
Foreign Earned Income

Rule 4 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 5.
Investment Income

Rule 5 Your Investment Income Must Be \$2,550 or Less

You cannot claim the earned income credit unless your investment income is \$2,550 or less. If your investment income is more than \$2,550, 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), 9 (ordinary dividends), and 10 (capital gain distributions) on that form.

Form 1040. If you file Form 1040, use *Worksheet 1*, below, to figure your investment income.



Worksheet 1: Investment Income If You Are Filing Form 1040



Interest and Dividends

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

Capital Gain Net Income

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

Royalties and Rental Income from Personal Property

- | | |
|---|-----------|
| 8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21. | 8. _____ |
| 9. Enter any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 34. | 9. _____ |
| 10. Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter zero.) | 10. _____ |

Passive Activities

- | | |
|---|-----------|
| 11. Enter the total of any net income from passive activities (included on Schedule E, lines 26, 28a (col. (h)), 33a (col. (d)), and 39). (See instructions below for lines 11 and 12.) | 11. _____ |
| 12. Enter the total of any losses from passive activities (included on Schedule E, lines 26, 28b (col. (g)), 33b (col. (c)), and 39). (See instructions below for lines 11 and 12.) | 12. _____ |
| 13. Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter zero.) | 13. _____ |
| 14. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your Investment Income. | 14. _____ |

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

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

Instructions for lines 11 and 12. In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 39 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

Rule 6.
Earned Income**Rule 6 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. *Worksheet 2* on page 20 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 on page 25.

Earned Income

Earned income includes:

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

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

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

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

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 received through 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 2*), and live in a state that has community property laws, your earned income for the EIC does not include any amount earned by your spouse that is treated as belonging to you under those laws. That amount is not earned income for the EIC, even though you must include it in your gross income on your income tax return. Your earned income includes the entire amount you earned, even if part of it is treated as belonging to your spouse under your state's community property laws.

Chapter 2. Rules If You Have a Qualifying Child



If you have met all the rules in chapter 1, use this chapter to see if you have a qualifying child. This chapter discusses Rules 7 through 9. You must meet all three of those rules, in addition to the rules in chapters 1 and 4, to qualify for the earned income credit with a qualifying child.

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

No qualifying child. If you do not meet *Rule 7*, 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 7. Qualifying Child

Rule 7 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 11. The paragraphs that follow contain more information about each test.



Relationship Test

Your child must be either your son, daughter, adopted child, stepchild, grandchild, or eligible foster child. Your brother, sister, stepbrother, or stepsister (or the child or grandchild of your brother, sister, stepbrother, or stepsister) may also be a qualifying child if you care for this individual as you would your own child. The following definitions clarify the relationship test.

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

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

Grandchild. For the EIC, this means any descendant of a son, daughter, stepchild, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grandchild, etc.

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

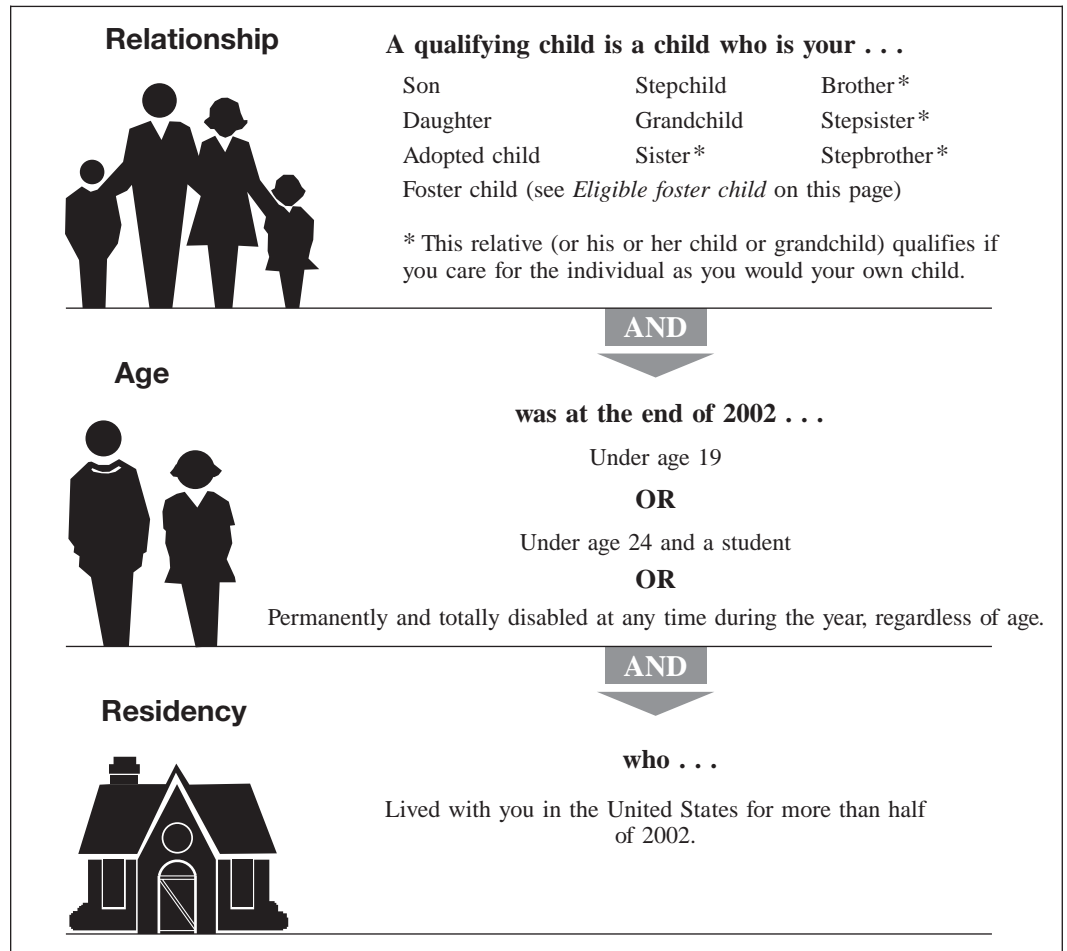
Married child. If your child was married at the end of the year, he or she does not meet the relationship test unless either of these two situations applies to you:

- 1) You can claim the child's exemption, or



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

Figure 2. Tests for Qualifying Child



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

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

Example:
Eligible foster child



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

Age Test

Your child must be:

- 1) Under age 19 at the end of 2002,
- 2) A full-time student under age 24 at the end of 2002, or
- 3) Permanently and totally disabled at any time during 2002, regardless of age.

The following example and definitions clarify the age test.

Example:
Child not under age 19

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

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

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

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

The 5 calendar months need not be consecutive.

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

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

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

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

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



Residency Test

Your child must have lived with you in the United States for more than half of 2002. The following definitions clarify the residency test.

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

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

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

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

Birth or death of child. A child who was born or died in 2002 is treated as having lived with you for all of 2002 if your home was the child's home the entire time he or she was alive in 2002.

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

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

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

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

If your qualifying child has been kidnapped and meets these requirements, enter "KC," instead of a number, on line 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 2002. You cannot claim the EIC on the basis of a qualifying child if:

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

- b) An adoption taxpayer identification number (ATIN), which is issued to adopting parents who cannot get an SSN for the child being adopted until the adoption is final.

If you have two qualifying children and only one has a valid SSN, you can claim the EIC only on the basis of that child. For more information about SSNs, see *Rule 1*.

Rule 8.
Qualifying Child of More
Than One Person

Rule 8 Your Qualifying Child Cannot Be Used By More Than One Person To Claim the EIC

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

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

Under the tie-breaker rule, the child can be treated as a qualifying child only by:

- 1) The parent, if only one of the persons is the child's parent,
- 2) The parent with whom the child lived for the longest period of time during the year, if two of the persons are parents of the child and they do not file a joint return together.
- 3) The parent with the highest adjusted gross income (AGI) if the child lived with each parent for the same amount of time during the tax year, and they do not file a joint return together.
- 4) The person with the highest AGI, if none of the persons is the child's parent.

If another person claims the EIC using this child. If your qualifying child is treated under this rule as the qualifying child of another person for 2002, you cannot take the EIC using this qualifying child. You may be able to take the EIC using a different qualifying child, but you cannot take the EIC for people who do not have a qualifying child. If you do not have another qualifying child, **STOP**; you cannot take the EIC. Put "No" beside line 64 (Form 1040) or line 41 (Form 1040A).

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

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

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

Examples:
Child lived with parent and
grandparent



Example 3. The facts are the same as in *Example 1*, except that you are only 18 years old. This means you are a qualifying child of your mother. Because of *Rule 9*, you cannot claim the EIC. Only your mother may be able to treat your son as a qualifying child to claim the EIC.

Example:
Divorced parents

Example 4. You, your husband, and your 10-year-old son lived together until July 1, 2002, when your husband moved out of the household. In July and August, your son lived with your husband. In September and October, the boy lived with you. On November 1, 2002, you and your husband were divorced. For the rest of the year, your son lived with your ex-husband, who was given custody. Your son is a qualifying child of both you and your ex-husband because your son lived with each of you for more than half the year and because he met the relationship and age tests for both of you. You earned \$11,000 during the year and your ex-husband earned \$25,000. Neither of you had any other income.

You and your ex-husband may choose which of you will treat the child as a qualifying child to claim the EIC. However, if you and he are unable to agree and both use the child to claim the EIC, only your ex-husband will be allowed to claim the credit using this child. This is because, during 2002, the child lived with him longer than with you. You cannot claim the EIC for persons either with or without a qualifying child.

Example:
Unmarried Parents

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

Example:
Child did not live with a parent

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

Rule 9.
Qualifying Child of Another Person

Rule 9 You Cannot Be a Qualifying Child of Another Person

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

- 1) You are that person's son, daughter, adopted child, stepchild, grandchild, or eligible foster child. Or, you are that person's brother, sister, stepbrother, or stepsister (or the child or grandchild of that person's brother, sister, stepbrother, or stepsister) for whom that person cares as his or her own child.



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

For more details about the tests to be a qualifying child, see *Rule 7*.

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 64 (Form 1040) or line 41 (Form 1040A).

Example:
Qualifying child of another
person

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

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

A

B

C's

Use this chapter if you do not have a qualifying child and have met all the rules in chapter 1. This chapter discusses Rules 10 through 13. You must meet all four of those rules, in addition to the rules in chapters 1 and 4, to qualify for the earned income credit without a qualifying child.

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

Rule 10. Age

Rule 10 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 2002. 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 2002. It does not matter which spouse meets the age test, as long as one of the spouses does.

If neither you nor your spouse meets the age test, you cannot claim the EIC. Put "No" directly to the right of line 64 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

Examples: Age

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

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

Rule 11. Dependent of Another Person

Rule 11 You Cannot Be the Dependent of Another Person

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

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

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

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

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

Examples: Dependent of another person

Example 1. In 2002, you were age 25, single, and living at home with your parents. You worked and were not a student. You earned \$7,500. Your parents cannot claim you as a dependent. When you file your return, you claim an exemption for yourself by checking the "No" box on line 5 of your Form 1040EZ. You meet this rule.

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

Rule 12.
Qualifying Child of Another Person

Rule 12 **You Cannot Be a Qualifying Child of Another Person**

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

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

For more details about the tests to be a qualifying child, see *Rule 7*.

If you (or your spouse if filing a joint return) are a qualifying child of another person, you cannot claim the EIC. This is true even if the person for whom you are a qualifying child does not claim the EIC or meet all of the rules to claim the EIC. Put "No" directly to the right of line 64 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

Example:
Qualifying child of another person

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

Rule 13.
Main Home in United States

Rule 13 **You Must Have Lived in the United States More Than Half of the Year**

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

If it was not, put "No" directly to the right of line 64 (Form 1040) or line 41 (Form 1040A), or on line 8 (Form 1040EZ).

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

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

Military personnel stationed outside the United States. U.S. military personnel stationed outside the United States on extended active duty (defined on page 13) 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 two more rules to be eligible to claim the EIC.

You must figure two amounts to see if you meet the rules in this chapter. You also need to know these amounts to figure the amount of your EIC.

- 1) Adjusted gross income (AGI).
- 2) Earned income.

If all your income is from employment you can use the worksheet on page 20 to figure your earned income. Otherwise, you can figure your earned income using EIC Worksheet B on page 25.

Rule 14. AGI Limits

Rule 14 Your Adjusted Gross Income (AGI) Must Be Less Than:

- \$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child,
- \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or
- \$11,060 (\$12,060 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 36 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. You can go back and finish the rest of your tax return.

Example: AGI exceeds limit

Example. Your AGI is \$29,500, you are single, and you have one qualifying child. You cannot claim the EIC because your AGI is not less than \$29,201. However, if your filing status was married filing jointly, you might be able to claim the EIC because your AGI is less than \$30,201.

Community property. If you are married, but qualify to file as head of household under special rules for married taxpayers living apart (see *Rule 2*), 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 6*.



Rule 15.
Earned Income Limits

Rule 15 Your Earned Income Must Be Less Than:

- \$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child,
- \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or
- \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child.

Earned income. Earned income generally means wages, salaries, tips, and other taxable employee compensation, and net earnings from self-employment. Earned income is explained in detail in *Rule 6* in chapter 1. If you are an employee, you can use *Worksheet 2* to figure your earned income from employment.

However, if you are self-employed, a statutory employee, or a church employee who files Schedule SE (Form 1040), you will not know the amount of your earned income until you fill out Part 4 of *EIC Worksheet B* on page 25.

Church employee. In this publication, this term 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.



Worksheet 2: Earned Income

Note. Do not include on this worksheet any net earnings from self-employment or any income you received as a statutory employee. Instead, enter those amounts on *EIC Worksheet B* (page 25).

- | | |
|--|----------|
| 1. Enter the amount from line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ). | 1. _____ |
| 2. If you received a taxable scholarship or fellowship grant that was not reported to you on a Form W-2 but was included in the total on line 7 (Form 1040 or 1040A) or line 1 (Form 1040EZ), enter the amount. | 2. _____ |
| 3. Inmates. 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), enter that amount. | 3. _____ |
| 4. 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), enter that amount. | 4. _____ |
| 5. Church employees. If you received wages as a church employee (as defined above), enter any amount you included on both line 5a of Schedule SE and line 7 (Form 1040). | 5. _____ |
| 6. If you received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan and it was included in the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ), enter the amount. (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 of the pension or annuity.) | 6. _____ |
| 7. Add the amounts on lines 2, 3, 4, 5, and 6 of this worksheet. | 7. _____ |
| 8. Subtract line 7 of this worksheet from line 1. This is your earned income. | 8. _____ |



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. If you want to figure the credit yourself, use *EIC Worksheet A* or *B*, whichever applies.

If you have a qualifying child, complete and attach Schedule EIC (discussed on page 23).

Figure 3. Earned Income Credit On Your Tax Return

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

- 1** Print “EIC” directly to the right of the EIC line on your tax return. (This is line 64 (Form 1040), line 41 (Form 1040A), or line 8 (Form 1040EZ).) Then, if you have any of the situations listed later under *Special instructions for clergy, prison inmates, and deferred compensation plans*, follow those instructions.
- 2** Complete all other parts of your return that apply to you (including line 59 (Form 1040) or line 37 (Form 1040A) to report advance payments of the EIC).
- 3** Do not fill in lines that relate to your total payments, overpayment, refund, or amount you owe (lines 69, 70, 71a, and 73 (Form 1040), lines 43, 44, 45a, and 47 (Form 1040A), or lines 9, 11a, and 12 (Form 1040EZ)).



Please do not ask the IRS to figure your EIC unless you are eligible for it. To be eligible, you must meet the rules 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.



You cannot report advance payments of EIC on Form 1040EZ. If you received advance payments of EIC during 2002, you must file Form 1040 or Form 1040A.



Special instructions for clergy, prison inmates, and deferred compensation plans.

Use the following special instructions if one of the following situations applies to you.

Minister or member of a religious order. If you are filing Schedule SE and line 2 of that schedule includes an amount that is also included on line 7 (Form 1040), print “Clergy” directly to the right of line 64 (Form 1040). Also show the amount included on both lines (for example, “Clergy \$800”).

Inmates. If you were an inmate in a penal institution and the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ) includes an amount paid to you for work you performed while an inmate, print “PRI” and the amount paid on the dotted line next to line 7 (Form 1040), in the space to the left of line 7 (Form 1040A), or in the space to the right of the words “W–2 form(s)” on line 1 (Form 1040EZ).

Deferred compensation plans. If the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ) includes a pension or annuity you received from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, put “DFC” and the amount on the dotted line next to line 7 (Form 1040), in the space to the left of line 7 (Form 1040A) or to the right of the words “W–2 form(s)” on 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 of the pension or annuity.

Note. If you do not have a qualifying child, **STOP** here and complete your Form 1040, Form 1040A, or Form 1040EZ and mail it to the IRS. If you do have a qualifying child, see *Schedule EIC*, later.

How To Figure the EIC Yourself

You can use the EIC worksheet in your tax package or *EIC Worksheet A* or *B* at the end of this chapter.

If you have a qualifying child, complete and attach Schedule EIC (discussed on page 23).

How To Use EIC Worksheets A and B

Use *EIC Worksheet A* (page 24) or *EIC Worksheet B* (pages 25–26) to figure the amount of your EIC. This section explains how to use these worksheets and how to report the EIC on your return.

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

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

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

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

Tip:
Keep your tax return handy while you complete EIC Worksheet A or B.



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

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

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

Special Instructions for Clergy, Prison Inmates, and Deferred Compensation Plans

Use the following special instructions if one of the following situations applies to you.

Minister or member of a religious order. If you are filing Schedule SE and line 2 of the schedule includes an amount that is also included on line 7 (Form 1040), print “Clergy” directly to the right of line 64 (Form 1040). Also show the amount included on both lines (for example, “Clergy \$800”).

Inmates. If you were an inmate in a penal institution and the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ) includes an amount paid to you for work you performed while an inmate, print “PRI” and the amount paid on the dotted line next to line 7 (Form 1040), in the space to the left of line 7 (Form 1040A), or in the space to the right of the words “W–2 form(s)” on line 1 (Form 1040EZ).

Deferred compensation plans. If the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ) includes a pension or annuity you received from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, put “DFC” and the amount on the dotted line next to line 7 (Form 1040), in the space to the left of line 7, (Form 1040A), or to the right of the words “W–2 form(s)” on 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 of the pension or annuity.

Schedule EIC

You must complete and attach Schedule EIC 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.



EIC Worksheet **A**—Earned Income Credit (EIC)

Keep for Your Records

Part 1

All Filers Using EIC Worksheet A


Do not use this worksheet if you are self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee. Instead, use EIC Worksheet B.

1. Enter your earned income from Worksheet 2.

1	
----------	--

2. Look up the amount on line 1 above in the EIC Table in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here.

2	
----------	--

If line 2 is zero,  You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).

3. Enter your adjusted gross income (line 36 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040EZ).

3	
----------	--

4. Are the amounts on lines 1 and 3 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. Is the amount on line 3 less than:

- \$6,150 (\$7,150 for married filing jointly) if you do not have a qualifying child, or
- \$13,550 (\$14,550 for married filing jointly) if you have one or more qualifying children?

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 in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here.

5	
----------	--

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

Part 3

Your Earned Income Credit

6. This is your earned income credit.

6	
----------	--

Reminder—

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



Enter this amount on line 64 (Form 1040); or line 41 (Form 1040A); or line 8 (Form 1040EZ)



If your EIC was reduced or disallowed for any year after 1996, see chapter 5 to find out if you must file Form 8862 to take the credit for 2002.



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

Keep for Your Records

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

TIP:
You can tear this worksheet from the booklet before you begin



- ✓ Complete the parts below (Parts 1–3) that apply to you. Then, go 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> <p>_____</p>	1a	
<p>b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.</p> <p>_____</p>	+	1b	
<p>c. Add lines 1a and 1b.</p> <p>_____</p>	=	1c	
<p>d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.</p> <p>_____</p>	–	1d	
<p>e. Subtract line 1d from 1c.</p> <p>_____</p>	=	1e	

<p>Part 2</p> <p>Self-Employed NOT Required To File Schedule SE</p> <p style="font-size: small;">For example, your net earnings from self-employment were less than \$400.</p>	<p>2. Do not include on these lines any statutory employee income or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.</p> <p>a. Enter any net farm profit (or loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a.*</p> <p>_____</p>	2a	
<p>b. Enter any net profit (or loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9.*</p> <p>_____</p>		2b	
<p>c. Combine lines 2a and 2b.</p> <p style="font-size: x-small;">*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.</p>	=	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> <p>_____</p>	3	
--	---	---	--

<p>Part 4</p> <p>All Filers Using EIC Worksheet B</p> <p style="font-size: x-small;">If line 4b includes income on which you should have paid self-employment tax but did not, the IRS may reduce your credit by the amount of self-employment tax not paid.</p>	<p>4a. Enter your earned income from Worksheet 2, line 8.</p> <p>_____</p>	+	
<p>b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income.</p> <p>_____</p> <p>If line 4b is zero or less, you cannot take the credit.</p>	=	4b	
<p>5. Is the amount on line 4b less than:</p> <ul style="list-style-type: none"> • \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child, • \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or • \$33,178 (\$34,178 for married filing jointly) if you have two or more qualifying children? <p><input type="checkbox"/> Yes. If you want the IRS to figure your credit, see page 21. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 26).</p> <p><input type="checkbox"/> No. You cannot take the credit. Put “No” directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).</p>			

EIC Worksheet **B**—Continued


Keep for Your Records

Part 5

All Filers Using EIC Worksheet B

6. Enter your total earned income from Part 4, line 4b, of this worksheet. 6

7. Look up the amount on line 6 above in the EIC Table in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here. 7

If line 7 is zero,  You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).

8. Enter your adjusted gross income (line 36 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040EZ). 8

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.

10. Is the amount on line 8 less than:

- \$6,150 (\$7,150 for married filing jointly) if you do not have a qualifying child, **or**
- \$13,550 (\$14,550 for married filing jointly) if you have one or more qualifying children?

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 in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here. 10

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

Part 6

Your Earned Income Credit

11. This is your earned income credit. 11

Reminder—

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



Enter this amount on line 64 (Form 1040); line 41 (Form 1040A); or line 8 (Form 1040EZ)



If your EIC was reduced or disallowed for any year after 1996, see chapter 5 to find out if you must file Form 8862 to take the credit for 2002.



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 2002.

This chapter is for people whose earned income credit (EIC) for any year after 1996 was denied or reduced by the IRS. If this applies to you and you want to claim the credit for 2002, you may need to complete Form 8862, *Information To Claim Earned Income Credit After Disallowance*, and attach it to your 2002 return. This chapter explains when you need to attach Form 8862. For more information, see Form 8862 and its instructions.

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

Form 8862

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

However, do not file Form 8862 if:

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

The date on which your EIC was denied and the date on which you file your 2002 return affect whether you need to attach Form 8862 to your 2002 return or to a later return. The following examples demonstrate whether Form 8862 is required for 2002 or 2003.

Example:
Form 8862 required for 2002

Example 1. You filed your 2001 tax return in March 2002 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 2002, you received a statutory notice of deficiency telling you that an adjustment would be assessed unless you filed a petition in the Tax Court within 90 days. You did not act on this notice within 90 days. Therefore, your EIC was denied in December 2002. If you wish to claim the EIC with a qualifying child on your 2002 return, you must complete and attach Form 8862 to that return. However, if you wish to claim the EIC without a qualifying child on your 2002 return, you do not need to file Form 8862.

Example:
Form 8862 required for 2003

Example 2. The facts are the same as in *Example 1*, except that you received the statutory notice of deficiency in February 2003. Because the 90-day period referred to in the statutory notice is not over when you are ready to file your return for 2002, you should not attach Form 8862 to your 2002 return. However, if you wish to claim the EIC with a qualifying child for 2003, you must complete and attach Form 8862 to your return for that year. If you wish to claim the EIC without a qualifying child for 2003, you do not need to file Form 8862.

Exception for mathematical or clerical errors. If your EIC was denied or reduced as a result of a mathematical 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 mathematical or clerical errors.

Omission of Form 8862. If you are required to attach Form 8862 to your 2002 tax return, and you claim the EIC without attaching a completed Form 8862, your claim will be automatically denied. This is considered a mathematical or clerical error. You will not be permitted to claim the EIC without a completed Form 8862.

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

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

If your EIC for any year after 1996 was denied and it was determined that your error was due to reckless or intentional disregard of the EIC rules, then you cannot claim the EIC for the next 2 years. If your error was due to fraud, then you cannot claim the EIC for the next 10 years. The date on which your EIC was denied and the date on which you file your 2002 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 2001 tax return, which you filed in March 2002. In October 2002, the IRS denied your claim and determined that your error was due to reckless or intentional disregard of the EIC rules. You cannot claim the EIC for tax year 2002 or 2003. If you wish to claim the EIC on your return for 2004, you must complete and attach Form 8862 to your return for that year.

Example 4. The facts are the same as in *Example 3*, except that the IRS did not disallow your 2001 EIC until after you filed your 2002 return. You cannot claim the EIC for tax year 2003 or 2004. If you wish to claim the EIC on your return for 2005, you must complete and attach Form 8862 to your return for that year.

Example:
Cannot claim EIC for 10 years

Example 5. You claimed the EIC on your 2001 tax return, which you filed in February 2002. In December 2002, the IRS denied your claim and determined that your error was due to fraud. You cannot claim the EIC for tax years 2002 through 2011. If you wish to claim the EIC on your return for 2012, you must complete and attach Form 8862 to your return for that year.

Chapter 6. Advance Payment of EIC in 2003



You can receive part of your 2003 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 (2003) 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 2004 when you file your tax return for the year 2003. 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 2003, 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 2003. 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 2002 tax return. This chapter is about the EIC you **expect** to claim on your 2003 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 10.)

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

Question 2. _____

Do you expect that your earned income and adjusted gross income (AGI) will each be less than about \$30,000 (\$31,000 if you expect to file a joint return for 2003)?


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

Tip:
See the 2003 Form W-5 for the exact amounts. Earned income and AGI are explained on pages 8, 19 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 cannot get advance EIC unless your wages are subject to federal income tax, social security tax, or Medicare tax withholding.


Question 3. _____
Do you expect to be eligible for the EIC in 2003 as explained in chapters 1, 2, 3, and 4?

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

Note. The rules in chapters 1, 2, 3, and 4 are expected to be basically the same for 2003, except that you will be allowed to have more earned income and adjusted gross income, and possibly more investment income. The correct amounts for 2003 are in the instructions for the 2003 Form W-5.

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

If you answered "Yes" to all the questions in *Step 1*, and you wish to get part of your EIC now, you must give your employer a Form W-5 for 2003. 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.

2003	Form W-5		Department of the Treasury Internal Revenue Service
Instructions		1. You expect to have at least one qualifying child. If you do not expect to have a qualifying child, you may still be eligible for the EIC, but you cannot receive advance	
Purpose			
▼ Give the bottom part to your employer; keep the top part for your records. ▼ ----- Detach here -----			
Form W-5 Department of the Treasury Internal Revenue Service Print or type your full name	Earned Income Credit Advance Payment Certificate ► Use the current year's certificate only. ► Give this certificate to your employer. ► This certificate expires on December 31, 2003.	OMB No. 1545-1342 2003	Your social security number : : :
Note: If you get advance payments of the earned income credit for 2003, you must file a 2003 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 2003, 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 2003: <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 2003 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 2004 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 48.

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 2003 Form W-5 you give to your employer is valid until December 31, 2003. If you expect to be eligible for EIC in 2004 and you want to receive advance payments, you must give your employer a new Form W-5 in 2004. 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 2003.

Table 2. **Changes to Advance EIC Status**

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

Step 3 How To Report Advance Payments of EIC

If you received advance payments of EIC in 2002, see *Important Reminders* on page 3 for information on reporting these payments.

If you receive advance payments of EIC in 2003, you must file a 2003 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 2003, 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 2002. Cynthia earned wages of \$15,000 and Jerry had wages of \$10,000. The Greys received \$50 in interest on their savings account. They had no other income in 2002.

Cynthia and Jerry have the 2002 Form 1040A and instructions. They want to see if they qualify for the EIC, so they follow the steps in the instructions for line 41.

Step 1. The amount Cynthia and Jerry entered on Form 1040A, line 21, was \$25,050. They both have valid social security numbers (SSNs). They will file a joint return. Neither Cynthia nor Jerry is a nonresident alien. Therefore, the answers they give to the questions in *Step 1* allow them to proceed to *Step 2*.

Step 2. The only investment income the Greys have is their \$50 interest income. That amount is not more than \$2,550, so they go to *Step 3*.

Step 3. In *Step 3* of the instructions for line 41, the Greys find out that they do not have to use Publication 596. However, they decide to get and use the publication because they heard that it has information they want about advance EIC. When they read Publication 596, they find that they have already met *Rules 1 - 5* and can start with *Rule 6*.

Rule 6. The Greys meet this rule because they have earned income (Cynthia's and Jerry's wages). They go to *Rule 7* in chapter 2 because they believe they have qualifying children.

Rule 7. Cynthia and Jerry meet this rule because both Kirk and Susanne meet the relationship, residency, and age tests. In addition, both children have valid SSNs.

Rule 8. The Greys meet this rule because Kirk and Susanne are not qualifying children of anyone else.


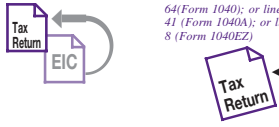
Rule 9. Cynthia and Jerry meet this rule because they themselves are not qualifying children of anyone else. They meet all the rules so far, so they go to chapter 4.

Rule 14. Cynthia and Jerry's AGI is \$25,050 (\$25,000 + \$50), the amount on line 21 of their Form 1040A. They meet *Rule 14*.

Rule 15. Cynthia and Jerry complete *Worksheet 2* (not shown) and figure their total earned income to be \$25,000, the amount of their combined wages. They meet this rule.

Completing EIC Worksheet A. Cynthia and Jerry want to figure their EIC themselves, so they complete *EIC Worksheet A* (shown here). They complete *EIC Worksheet A*, rather than *EIC Worksheet B*, because they are **not** self-employed, church employees, or filing Schedule C or C-EZ as statutory employees.



EIC Worksheet A —Earned Income Credit (EIC)		Keep for Your Records
Part 1 All Filers Using EIC Worksheet A	Do not use this worksheet if you are self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee. Instead, use EIC Worksheet B.	
	1. Enter your earned income from Worksheet 2.	1 25,000
	2. Look up the amount on line 1 above in the EIC Table in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here.	2 1,928
	If line 2 is zero,  You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).	
	3. Enter your adjusted gross income (line 36 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040EZ).	3 25,050
	4. Are the amounts on lines 1 and 3 the same? <input type="checkbox"/> Yes. Skip line 5; enter the amount from line 2 on line 6. <input checked="" type="checkbox"/> No. Go to line 5.	
Part 2 Filers Who Answered "No" On Line 4	5. Is the amount on line 3 less than: • \$6,150 (\$7,150 for married filing jointly) if you do not have a qualifying child, or • \$13,550 (\$14,550 for married filing jointly) if you have one or more qualifying children? <input type="checkbox"/> Yes. Leave line 5 blank; enter the amount from line 2 on line 6. <input checked="" type="checkbox"/> No. Look up the amount on line 3 in the EIC Table in the Appendix to find the credit. 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 2 and 5. Then, enter the smaller amount on line 6.	5 1,917
	Part 3 Your Earned Income Credit	6. This is your earned income credit. Reminder— <input checked="" type="checkbox"/> If you have a qualifying child, complete and attach Schedule EIC.
	Enter this amount on line . . . 64 (Form 1040); or line . . . 41 (Form 1040A); or line . . . 8 (Form 1040EZ) . . .	

- Cynthia and Jerry enter their total earned income (\$25,000) on line 1.
- They look up \$25,000 in the EIC Table in the *Appendix*. To find their credit, they look in the column for *married filing jointly with two children*. They enter the amount of \$1,928 on line 2.
- They enter on line 3 their AGI (\$25,050) and see that it is different from the amount on line 1.
- They look up \$25,050 in the EIC Table and enter the amount of \$1,917 on line 5.
- They enter \$1,917 on line 6. This is the smaller of the line 2 amount (\$1,928) and the line 5 amount (\$1,917).
- The Greys enter \$1,917 on line 41 of their Form 1040A. They will now complete Schedule EIC (shown here) and attach it to their return. They will keep *EIC Worksheet A* for their records.



<p>SCHEDULE EIC (Form 1040A or 1040)</p> <p>Department of the Treasury Internal Revenue Service</p>	<p>Earned Income Credit Qualifying Child Information</p> <p><i>Complete and attach to Form 1040A or 1040 only if you have a qualifying child.</i></p>	<p>OMB No. 1545-0074</p> <p>2002</p> <p>Attachment Sequence No. 43</p>								
<p>Name(s) shown on return: <u>Cynthia and Jerry Grey</u></p>		<p>Your social security number: <u>333 : 00 : 5555</u></p>								
<p>Before you begin: See the instructions for Form 1040A, line 41, or Form 1040, line 64, to make sure that (a) you can take the EIC and (b) you have a qualifying child.</p> <ul style="list-style-type: none"> • If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details. • It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child. • Be sure the child's name on line 1 and social security number (SSN) on line 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. 										
<p>Qualifying Child Information</p>										
	Child 1	Child 2								
<p>1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">First name</td> <td style="width: 50%; text-align: center;">Last name</td> </tr> <tr> <td style="text-align: center;">Kirk</td> <td style="text-align: center;">Grey</td> </tr> </table>	First name	Last name	Kirk	Grey	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">First name</td> <td style="width: 50%; text-align: center;">Last name</td> </tr> <tr> <td style="text-align: center;">Susanne</td> <td style="text-align: center;">Grey</td> </tr> </table>	First name	Last name	Susanne	Grey
First name	Last name									
Kirk	Grey									
First name	Last name									
Susanne	Grey									
<p>2 Child's SSN The child must have an SSN as defined on page 44 of the Form 1040A instructions or page 46 of the Form 1040 instructions unless the child was born and died in 2002. If your child was born and died in 2002 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">123</td> <td style="width: 33%; text-align: center;">00</td> <td style="width: 33%; text-align: center;">5678</td> </tr> </table>	123	00	5678	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">987</td> <td style="width: 33%; text-align: center;">00</td> <td style="width: 33%; text-align: center;">4321</td> </tr> </table>	987	00	4321		
123	00	5678								
987	00	4321								
<p>3 Child's year of birth</p>	<p>Year <u>1 9 9 4</u></p> <p><i>If born after January 1, 1984, skip lines 4a and 4b; go to line 5.</i></p>	<p>Year <u>1 9 9 6</u></p> <p><i>If born after January 1, 1984, skip lines 4a and 4b; go to line 5.</i></p>								
<p>4 If the child was born before January 2, 1984—</p> <p>a Was the child under age 24 at the end of 2002 and a student?</p> <p>b Was the child permanently and totally disabled during any part of 2002?</p>	<p><input type="checkbox"/> Yes. <input type="checkbox"/> No.</p> <p><i>Go to line 5. Continue</i></p>	<p><input type="checkbox"/> Yes. <input type="checkbox"/> No.</p> <p><i>Go to line 5. Continue</i></p>								
<p>5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)</p>	<p style="text-align: center;"><u>son</u></p>	<p style="text-align: center;"><u>daughter</u></p>								
<p>6 Number of months child lived with you in the United States during 2002</p> <ul style="list-style-type: none"> • If the child lived with you for more than half of 2002 but less than 7 months, enter "7". • If the child was born or died in 2002 and your home was the child's home for the entire time he or she was alive during 2002, enter "12". 	<p style="text-align: center;"><u>12</u> months</p> <p><i>Do not enter more than 12 months.</i></p>	<p style="text-align: center;"><u>12</u> months</p> <p><i>Do not enter more than 12 months.</i></p>								
<p>TIP You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2002, (b) is claimed as your dependent on line 6c of Form 1040A or Form 1040, and (c) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 66 of Form 1040.</p>										
<p>For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions. Cat. No. 13339M Schedule EIC (Form 1040A or 1040) 2002</p>										



Example:

David and Judy Brown have three children, a business profit, and a business loss.

Example 2. David and Judy Brown

David and Judy Brown have three children—Karl, age 4, and twins, Karin and Susan, age 2. David worked and earned \$16,000 in taxable wages. He received \$1,500 in unemployment compensation. David also began a consulting business. After expenses, David had a loss of \$1,000. Judy made crafts and sold them at a flea market. She had a profit of \$706. In addition, David and Judy received \$50 in interest from a savings account.

Judy completes Schedule C–EZ and reports the \$706 profit. She also completes Schedule SE and figures self-employment tax of \$100. She puts this figure on line 56 (Form 1040) and deducts \$50, one-half of her self-employment tax, on line 29 (Form 1040).

David completes Schedule C and reports his \$1,000 loss. David and Judy combine their Schedules C and C–EZ to report a loss of \$294 (\$706 – \$1,000) on line 12 of their Form 1040. David will not complete Schedule SE because he does not have any net earnings from self-employment.

David and Judy read Publication 596 and find that they meet all the rules to claim the EIC. For example, they will file a joint return (*Rule 2*). Their investment income (\$50 interest from a savings account) is less than \$2,550 (*Rule 5*). All three of their children are qualifying children (*Rule 7*). Their AGI of \$17,206 (\$16,000 + \$50 + \$706 – \$1,000 + \$1,500 – \$50) is less than \$34,178 (*Rule 14*).

Completing EIC Worksheet B. Because the Browns have self-employment income and want to figure their credit themselves, they complete *EIC Worksheet B* (shown later).

Part 1. David and Judy begin *EIC Worksheet B* with Part 1 because Judy is self-employed and will file Schedule SE. They enter \$706 and \$50 from Judy's Schedule SE on lines 1a and 1d respectively. They figure line 1e to be \$656 (\$706 – \$50).

Part 2. Because David is not filing Schedule SE, the Browns enter David's \$1,000 loss on lines 2b and 2c. They put this amount in parentheses because it is a loss. They skip **Part 3** because neither David nor Judy is a statutory employee.

Part 4. The Browns enter \$16,000 (the earned income they figured using *Worksheet 2*) on line 4a. They combine lines 1e, 2c, 3, and 4a and enter the result, \$15,656, on line 4b. Because that amount is less than \$34,178, they qualify for the credit, so they enter \$15,656 on line 6.

Part 5. David and Judy look up the amount on line 6 (\$15,656) in the EIC Table. To find their credit, they look in the column for *Married filing jointly with Two children*. They enter the amount of \$3,897 on line 7. They enter their AGI (\$17,206 from line 34 of *Form 1040*) on line 8 and see that it is different from the amount on line 6. They look up \$17,206 in the EIC Table and enter the amount of \$3,570 on line 10.

Part 6. The Browns enter \$3,570 on line 11. This is the smaller of the line 7 amount (\$3,897) and the line 10 amount (\$3,570). They also enter \$3,570 on line 64 of their Form 1040. They will now complete Schedule EIC (not shown), including information for two of their three children, and attach it to their return. They will keep *EIC Worksheet B* for their records.



EIC Worksheet B—Earned Income Credit (EIC)

Keep for Your Records

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

TIP:
You can tear this worksheet from the booklet before you begin

- ✓ Complete the parts below (Parts 1–3) that apply to you. Then, go 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	706
	b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.	+ 1b	
	c. Add lines 1a and 1b.	= 1c	706
	d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	- 1d	50
	e. Subtract line 1d from 1c.	= 1e	656

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 or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.		
	a. Enter any net farm profit (or loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a.*	2a	
	b. Enter any net profit (or loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9.*	2b	(1,000)
	c. Combine lines 2a and 2b.	= 2c	(1,000)
	*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.		

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	
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Part 4 All Filers Using EIC Worksheet B <small>If line 4b includes income on which you should have paid self-employment tax but did not, the IRS may reduce your credit by the amount of self-employment tax not paid.</small>	4a. Enter your earned income from Worksheet 2, line 8.	+ 4a	16,000
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income. If line 4b is zero or less, STOP you cannot take the credit.	= 4b	15,656
	5. Is the amount on line 4b less than: <ul style="list-style-type: none"> • \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child, • \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or • \$33,178 (\$34,178 for married filing jointly) if you have two or more qualifying children? 		
	<input type="checkbox"/> Yes. If you want the IRS to figure your credit, see page 21. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 26).		
	<input type="checkbox"/> No. STOP You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).		



EIC Worksheet B —Continued		Keep for Your Records	
Part 5 All Filers Using EIC Worksheet B	6. Enter your total earned income from Part 4, line 4b, of this worksheet.	6 15,656	
	7. Look up the amount on line 6 above in the EIC Table in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here.	7 3,897	
	If line 7 is zero, STOP You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).		
	8. Enter your adjusted gross income (line 36 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040EZ).	8 17,206	
	9. Are the amounts on lines 8 and 6 the same?		
	<input type="checkbox"/> Yes. Skip line 10; enter the amount from line 7 on line 11. <input checked="" type="checkbox"/> No. Go to line 10.		
	10. Is the amount on line 8 less than:		
	<ul style="list-style-type: none"> • \$6,150 (\$7,150 for married filing jointly) if you do not have a qualifying child, or • \$13,550 (\$14,550 for married filing jointly) if you have one or more qualifying children? <input type="checkbox"/> Yes. Leave line 10 blank; enter the amount from line 7 on line 11. <input checked="" type="checkbox"/> No. Look up the amount on line 8 in the EIC Table in the Appendix to find the credit. 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 3,570
	Part 6 Your Earned Income Credit	11. This is your earned income credit.	11 3,570
Enter this amount on line 64 (Form 1040); line 41 (Form 1040A); or line 8 (Form 1040EZ)			

Example:

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

Example 3. Sharon Rose

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

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

Sharon reads the steps for eligibility in her Form 1040A instructions. In Step 1 she discovers that, because her AGI (\$11,250) is not less than \$11,060, she cannot take the EIC. She completes the rest of her Form 1040A and files it with the IRS.



Example:

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

Example 4. 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 \$2,000 in 2002. Steve reports this loss on Schedule F and on Form 1040, line 18. Steve qualifies and chooses to use the optional method to figure net earnings, so he uses Section B of Schedule SE. He enters \$1,600 on lines 15 and 4b of Section B of Schedule SE. Steve figures self-employment tax of \$244. He deducts one-half of it (\$122) on line 29 (Form 1040).

Linda had wages of \$15,000, which she reports on Form 1040, line 7. She also received advance EIC payments of \$1,140, which she reports on Form 1040, line 59.

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

The Greens read Publication 596 and find that they meet all the rules to claim the EIC. For example, they will file a joint return (*Rule 2*). Their investment income, figured on *Worksheet 1* (shown here), is \$1,000, which is less than \$2,550 (*Rule 5*). Also, their AGI of \$16,878 (\$15,000 + \$4,000 – \$2,000 – \$122) is less than \$34,178 (*Rule 14*). They use *EIC Worksheet B* (shown here) to figure their EIC of \$3,644. They also complete Schedule EIC (not shown) and attach it to their Form 1040.




Worksheet 1. Investment Income If You Are Filing Form 1040	
 <p>Form 1040</p>	<p>Interest and Dividends</p> <p>1. Enter any amount from Form 1040, line 8a. 1. _____</p> <p>2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b. 2. _____</p> <p>3. Enter any amount from Form 1040, line 9. 3. _____</p> <p>4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (See instructions below for line 4 if your child received an Alaska Permanent Fund dividend.) 4. _____</p>
	<p>Capital Gain Net Income</p> <p>5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter zero. 5. <u>4,000</u></p> <p>6. Enter any gain from Form 4797, <i>Sales of Business Property</i>, line 7. If the amount of that line is a loss, enter zero. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.) 6. - <u>3,000</u></p> <p>7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter zero.) 7. <u>1,000</u></p>
	<p>14. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your investment income. 14. <u>1,000</u></p>



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

Keep for Your Records

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

TIP:
You can tear this worksheet from the booklet before you begin 


- ✓ Complete the parts below (Parts 1–3) that apply to you. Then, go 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		
	b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.	+	1b	1,600
	c. Add lines 1a and 1b.	=	1c	1,600
	d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	-	1d	122
	e. Subtract line 1d from 1c.	=	1e	1,478

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 or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.		
	a. Enter any net farm profit (or loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), line 15a.*	2a	
	b. Enter any net profit (or loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), line 15a (other than farming); and Schedule K-1 (Form 1065-B), box 9.*	2b	
c. Combine lines 2a and 2b.	=	2c	

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


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	
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Part 4 All Filers Using EIC Worksheet B <small>If line 4b includes income on which you should have paid self-employment tax but did not, the IRS may reduce your credit by the amount of self-employment tax not paid.</small>	4a. Enter your earned income from Worksheet 2, line 8.	+	4a	15,000
	b. Combine lines 1e, 2c, 3, and 4a. This is your total earned income. If line 4b is zero or less,  you cannot take the credit.	=	4b	16,478

5. Is the amount on line 4b less than:

- \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child,
- \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, **or**
- \$33,178 (\$34,178 for married filing jointly) if you have two or more qualifying children?

Yes. If you want the IRS to figure your credit, see page 21. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 26).

No.  You cannot take the credit. Put “No” directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).


EIC Worksheet **B**—Continued

Keep for Your Records

Part 5
All Filers Using
EIC Worksheet B

6. Enter your total earned income from Part 4, line 4b, of this worksheet. 6 16,478

7. Look up the amount on line 6 above in the EIC Table in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here. 7 3,728

If line 7 is zero,  You cannot take the credit. Put "No" directly to the right of line 64 (Form 1040); or line 41 (Form 1040A); or on line 8 (Form 1040EZ).

8. Enter your adjusted gross income (line 36 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040EZ). 8 16,878

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.

10. Is the amount on line 8 less than:
 • \$6,150 (\$7,150 for married filing jointly) if you do not have a qualifying child, **or**
 • \$13,550 (\$14,550 for married filing jointly) if you have one or more qualifying children?
 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 in the Appendix to find the credit. Use the correct column for your filing status and the number of children you have. Enter the credit here. 10 3,644
 Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11.

Part 6
Your Earned
Income Credit

11. This is your earned income credit. 11 3,644

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



Enter this amount on line 64 (Form 1040); line 41 (Form 1040A); or line 8 (Form 1040EZ)



If your EIC was reduced or disallowed for any year after 1996, see chapter 5 to find out if you must file Form 8862 to take the credit for 2002.



Appendix

2002 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—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
\$1	\$50	\$2	\$9	\$10	\$2	\$9	\$10	2,400	2,450	186	825	970	186	825	970
50	100	6	26	30	6	26	30	2,450	2,500	189	842	990	189	842	990
100	150	10	43	50	10	43	50	2,500	2,550	193	859	1,010	193	859	1,010
150	200	13	60	70	13	60	70	2,550	2,600	197	876	1,030	197	876	1,030
200	250	17	77	90	17	77	90	2,600	2,650	201	893	1,050	201	893	1,050
250	300	21	94	110	21	94	110	2,650	2,700	205	910	1,070	205	910	1,070
300	350	25	111	130	25	111	130	2,700	2,750	208	927	1,090	208	927	1,090
350	400	29	128	150	29	128	150	2,750	2,800	212	944	1,110	212	944	1,110
400	450	33	145	170	33	145	170	2,800	2,850	216	961	1,130	216	961	1,130
450	500	36	162	190	36	162	190	2,850	2,900	220	978	1,150	220	978	1,150
500	550	40	179	210	40	179	210	2,900	2,950	224	995	1,170	224	995	1,170
550	600	44	196	230	44	196	230	2,950	3,000	228	1,012	1,190	228	1,012	1,190
600	650	48	213	250	48	213	250	3,000	3,050	231	1,029	1,210	231	1,029	1,210
650	700	52	230	270	52	230	270	3,050	3,100	235	1,046	1,230	235	1,046	1,230
700	750	55	247	290	55	247	290	3,100	3,150	239	1,063	1,250	239	1,063	1,250
750	800	59	264	310	59	264	310	3,150	3,200	243	1,080	1,270	243	1,080	1,270
800	850	63	281	330	63	281	330	3,200	3,250	247	1,097	1,290	247	1,097	1,290
850	900	67	298	350	67	298	350	3,250	3,300	251	1,114	1,310	251	1,114	1,310
900	950	71	315	370	71	315	370	3,300	3,350	254	1,131	1,330	254	1,131	1,330
950	1,000	75	332	390	75	332	390	3,350	3,400	258	1,148	1,350	258	1,148	1,350
1,000	1,050	78	349	410	78	349	410	3,400	3,450	262	1,165	1,370	262	1,165	1,370
1,050	1,100	82	366	430	82	366	430	3,450	3,500	266	1,182	1,390	266	1,182	1,390
1,100	1,150	86	383	450	86	383	450	3,500	3,550	270	1,199	1,410	270	1,199	1,410
1,150	1,200	90	400	470	90	400	470	3,550	3,600	273	1,216	1,430	273	1,216	1,430
1,200	1,250	94	417	490	94	417	490	3,600	3,650	277	1,233	1,450	277	1,233	1,450
1,250	1,300	98	434	510	98	434	510	3,650	3,700	281	1,250	1,470	281	1,250	1,470
1,300	1,350	101	451	530	101	451	530	3,700	3,750	285	1,267	1,490	285	1,267	1,490
1,350	1,400	105	468	550	105	468	550	3,750	3,800	289	1,284	1,510	289	1,284	1,510
1,400	1,450	109	485	570	109	485	570	3,800	3,850	293	1,301	1,530	293	1,301	1,530
1,450	1,500	113	502	590	113	502	590	3,850	3,900	296	1,318	1,550	296	1,318	1,550
1,500	1,550	117	519	610	117	519	610	3,900	3,950	300	1,335	1,570	300	1,335	1,570
1,550	1,600	120	536	630	120	536	630	3,950	4,000	304	1,352	1,590	304	1,352	1,590
1,600	1,650	124	553	650	124	553	650	4,000	4,050	308	1,369	1,610	308	1,369	1,610
1,650	1,700	128	570	670	128	570	670	4,050	4,100	312	1,386	1,630	312	1,386	1,630
1,700	1,750	132	587	690	132	587	690	4,100	4,150	316	1,403	1,650	316	1,403	1,650
1,750	1,800	136	604	710	136	604	710	4,150	4,200	319	1,420	1,670	319	1,420	1,670
1,800	1,850	140	621	730	140	621	730	4,200	4,250	323	1,437	1,690	323	1,437	1,690
1,850	1,900	143	638	750	143	638	750	4,250	4,300	327	1,454	1,710	327	1,454	1,710
1,900	1,950	147	655	770	147	655	770	4,300	4,350	331	1,471	1,730	331	1,471	1,730
1,950	2,000	151	672	790	151	672	790	4,350	4,400	335	1,488	1,750	335	1,488	1,750
2,000	2,050	155	689	810	155	689	810	4,400	4,450	339	1,505	1,770	339	1,505	1,770
2,050	2,100	159	706	830	159	706	830	4,450	4,500	342	1,522	1,790	342	1,522	1,790
2,100	2,150	163	723	850	163	723	850	4,500	4,550	346	1,539	1,810	346	1,539	1,810
2,150	2,200	166	740	870	166	740	870	4,550	4,600	350	1,556	1,830	350	1,556	1,830
2,200	2,250	170	757	890	170	757	890	4,600	4,650	354	1,573	1,850	354	1,573	1,850
2,250	2,300	174	774	910	174	774	910	4,650	4,700	358	1,590	1,870	358	1,590	1,870
2,300	2,350	178	791	930	178	791	930	4,700	4,750	361	1,607	1,890	361	1,607	1,890
2,350	2,400	182	808	950	182	808	950	4,750	4,800	365	1,624	1,910	365	1,624	1,910

(Continued)

2002 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
4,800	4,850	369	1,641	1,930	369	1,641	1,930	7,600	7,650	263	2,506	3,050	339	2,506	3,050
4,850	4,900	373	1,658	1,950	373	1,658	1,950	7,650	7,700	259	2,506	3,070	335	2,506	3,070
4,900	4,950	376	1,675	1,970	376	1,675	1,970	7,700	7,750	255	2,506	3,090	332	2,506	3,090
4,950	5,000	376	1,692	1,990	376	1,692	1,990	7,750	7,800	251	2,506	3,110	328	2,506	3,110
5,000	5,050	376	1,709	2,010	376	1,709	2,010	7,800	7,850	247	2,506	3,130	324	2,506	3,130
5,050	5,100	376	1,726	2,030	376	1,726	2,030	7,850	7,900	244	2,506	3,150	320	2,506	3,150
5,100	5,150	376	1,743	2,050	376	1,743	2,050	7,900	7,950	240	2,506	3,170	316	2,506	3,170
5,150	5,200	376	1,760	2,070	376	1,760	2,070	7,950	8,000	236	2,506	3,190	313	2,506	3,190
5,200	5,250	376	1,777	2,090	376	1,777	2,090	8,000	8,050	232	2,506	3,210	309	2,506	3,210
5,250	5,300	376	1,794	2,110	376	1,794	2,110	8,050	8,100	228	2,506	3,230	305	2,506	3,230
5,300	5,350	376	1,811	2,130	376	1,811	2,130	8,100	8,150	225	2,506	3,250	301	2,506	3,250
5,350	5,400	376	1,828	2,150	376	1,828	2,150	8,150	8,200	221	2,506	3,270	297	2,506	3,270
5,400	5,450	376	1,845	2,170	376	1,845	2,170	8,200	8,250	217	2,506	3,290	293	2,506	3,290
5,450	5,500	376	1,862	2,190	376	1,862	2,190	8,250	8,300	213	2,506	3,310	290	2,506	3,310
5,500	5,550	376	1,879	2,210	376	1,879	2,210	8,300	8,350	209	2,506	3,330	286	2,506	3,330
5,550	5,600	376	1,896	2,230	376	1,896	2,230	8,350	8,400	205	2,506	3,350	282	2,506	3,350
5,600	5,650	376	1,913	2,250	376	1,913	2,250	8,400	8,450	202	2,506	3,370	278	2,506	3,370
5,650	5,700	376	1,930	2,270	376	1,930	2,270	8,450	8,500	198	2,506	3,390	274	2,506	3,390
5,700	5,750	376	1,947	2,290	376	1,947	2,290	8,500	8,550	194	2,506	3,410	270	2,506	3,410
5,750	5,800	376	1,964	2,310	376	1,964	2,310	8,550	8,600	190	2,506	3,430	267	2,506	3,430
5,800	5,850	376	1,981	2,330	376	1,981	2,330	8,600	8,650	186	2,506	3,450	263	2,506	3,450
5,850	5,900	376	1,998	2,350	376	1,998	2,350	8,650	8,700	182	2,506	3,470	259	2,506	3,470
5,900	5,950	376	2,015	2,370	376	2,015	2,370	8,700	8,750	179	2,506	3,490	255	2,506	3,490
5,950	6,000	376	2,032	2,390	376	2,032	2,390	8,750	8,800	175	2,506	3,510	251	2,506	3,510
6,000	6,050	376	2,049	2,410	376	2,049	2,410	8,800	8,850	171	2,506	3,530	247	2,506	3,530
6,050	6,100	376	2,066	2,430	376	2,066	2,430	8,850	8,900	167	2,506	3,550	244	2,506	3,550
6,100	6,150	376	2,083	2,450	376	2,083	2,450	8,900	8,950	163	2,506	3,570	240	2,506	3,570
6,150	6,200	374	2,100	2,470	376	2,100	2,470	8,950	9,000	160	2,506	3,590	236	2,506	3,590
6,200	6,250	370	2,117	2,490	376	2,117	2,490	9,000	9,050	156	2,506	3,610	232	2,506	3,610
6,250	6,300	366	2,134	2,510	376	2,134	2,510	9,050	9,100	152	2,506	3,630	228	2,506	3,630
6,300	6,350	362	2,151	2,530	376	2,151	2,530	9,100	9,150	148	2,506	3,650	225	2,506	3,650
6,350	6,400	358	2,168	2,550	376	2,168	2,550	9,150	9,200	144	2,506	3,670	221	2,506	3,670
6,400	6,450	355	2,185	2,570	376	2,185	2,570	9,200	9,250	140	2,506	3,690	217	2,506	3,690
6,450	6,500	351	2,202	2,590	376	2,202	2,590	9,250	9,300	137	2,506	3,710	213	2,506	3,710
6,500	6,550	347	2,219	2,610	376	2,219	2,610	9,300	9,350	133	2,506	3,730	209	2,506	3,730
6,550	6,600	343	2,236	2,630	376	2,236	2,630	9,350	9,400	129	2,506	3,750	205	2,506	3,750
6,600	6,650	339	2,253	2,650	376	2,253	2,650	9,400	9,450	125	2,506	3,770	202	2,506	3,770
6,650	6,700	335	2,270	2,670	376	2,270	2,670	9,450	9,500	121	2,506	3,790	198	2,506	3,790
6,700	6,750	332	2,287	2,690	376	2,287	2,690	9,500	9,550	117	2,506	3,810	194	2,506	3,810
6,750	6,800	328	2,304	2,710	376	2,304	2,710	9,550	9,600	114	2,506	3,830	190	2,506	3,830
6,800	6,850	324	2,321	2,730	376	2,321	2,730	9,600	9,650	110	2,506	3,850	186	2,506	3,850
6,850	6,900	320	2,338	2,750	376	2,338	2,750	9,650	9,700	106	2,506	3,870	182	2,506	3,870
6,900	6,950	316	2,355	2,770	376	2,355	2,770	9,700	9,750	102	2,506	3,890	179	2,506	3,890
6,950	7,000	313	2,372	2,790	376	2,372	2,790	9,750	9,800	98	2,506	3,910	175	2,506	3,910
7,000	7,050	309	2,389	2,810	376	2,389	2,810	9,800	9,850	94	2,506	3,930	171	2,506	3,930
7,050	7,100	305	2,406	2,830	376	2,406	2,830	9,850	9,900	91	2,506	3,950	167	2,506	3,950
7,100	7,150	301	2,423	2,850	376	2,423	2,850	9,900	9,950	87	2,506	3,970	163	2,506	3,970
7,150	7,200	297	2,440	2,870	374	2,440	2,870	9,950	10,000	83	2,506	3,990	160	2,506	3,990
7,200	7,250	293	2,457	2,890	370	2,457	2,890	10,000	10,050	79	2,506	4,010	156	2,506	4,010
7,250	7,300	290	2,474	2,910	366	2,474	2,910	10,050	10,100	75	2,506	4,030	152	2,506	4,030
7,300	7,350	286	2,491	2,930	362	2,491	2,930	10,100	10,150	72	2,506	4,050	148	2,506	4,050
7,350	7,400	282	2,508	2,950	358	2,508	2,950	10,150	10,200	68	2,506	4,070	144	2,506	4,070
7,400	7,450	278	2,525	2,970	355	2,525	2,970	10,200	10,250	64	2,506	4,090	140	2,506	4,090
7,450	7,500	274	2,542	2,990	351	2,542	2,990	10,250	10,300	60	2,506	4,110	137	2,506	4,110
7,500	7,550	270	2,559	3,010	347	2,559	3,010	10,300	10,350	56	2,506	4,130	133	2,506	4,130
7,550	7,600	267	2,576	3,030	343	2,576	3,030	10,350	10,400	52	2,506	4,150	129	2,506	4,150

(Continued)

2002 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
10,400	10,450	49	2,506	4,140	125	2,506	4,140	14,600	14,650	0	2,329	3,907	0	2,489	4,118
10,450	10,500	45	2,506	4,140	121	2,506	4,140	14,650	14,700	0	2,321	3,897	0	2,481	4,107
10,500	10,550	41	2,506	4,140	117	2,506	4,140	14,700	14,750	0	2,313	3,886	0	2,473	4,097
10,550	10,600	37	2,506	4,140	114	2,506	4,140	14,750	14,800	0	2,305	3,876	0	2,465	4,086
10,600	10,650	33	2,506	4,140	110	2,506	4,140	14,800	14,850	0	2,297	3,865	0	2,457	4,076
10,650	10,700	29	2,506	4,140	106	2,506	4,140	14,850	14,900	0	2,289	3,855	0	2,449	4,065
10,700	10,750	26	2,506	4,140	102	2,506	4,140	14,900	14,950	0	2,281	3,844	0	2,441	4,055
10,750	10,800	22	2,506	4,140	98	2,506	4,140	14,950	15,000	0	2,273	3,834	0	2,433	4,044
10,800	10,850	18	2,506	4,140	94	2,506	4,140	15,000	15,050	0	2,265	3,823	0	2,425	4,034
10,850	10,900	14	2,506	4,140	91	2,506	4,140	15,050	15,100	0	2,257	3,813	0	2,417	4,023
10,900	10,950	10	2,506	4,140	87	2,506	4,140	15,100	15,150	0	2,249	3,802	0	2,409	4,013
10,950	11,000	7	2,506	4,140	83	2,506	4,140	15,150	15,200	0	2,241	3,791	0	2,401	4,002
11,000	11,050	3	2,506	4,140	79	2,506	4,140	15,200	15,250	0	2,233	3,781	0	2,393	3,992
11,050	11,100	*	2,506	4,140	75	2,506	4,140	15,250	15,300	0	2,225	3,770	0	2,385	3,981
11,100	11,150	0	2,506	4,140	72	2,506	4,140	15,300	15,350	0	2,217	3,760	0	2,377	3,970
11,150	11,200	0	2,506	4,140	68	2,506	4,140	15,350	15,400	0	2,209	3,749	0	2,369	3,960
11,200	11,250	0	2,506	4,140	64	2,506	4,140	15,400	15,450	0	2,201	3,739	0	2,361	3,949
11,250	11,300	0	2,506	4,140	60	2,506	4,140	15,450	15,500	0	2,193	3,728	0	2,353	3,939
11,300	11,350	0	2,506	4,140	56	2,506	4,140	15,500	15,550	0	2,185	3,718	0	2,345	3,928
11,350	11,400	0	2,506	4,140	52	2,506	4,140	15,550	15,600	0	2,177	3,707	0	2,337	3,918
11,400	11,450	0	2,506	4,140	49	2,506	4,140	15,600	15,650	0	2,169	3,697	0	2,329	3,907
11,450	11,500	0	2,506	4,140	45	2,506	4,140	15,650	15,700	0	2,161	3,686	0	2,321	3,897
11,500	11,550	0	2,506	4,140	41	2,506	4,140	15,700	15,750	0	2,153	3,676	0	2,313	3,886
11,550	11,600	0	2,506	4,140	37	2,506	4,140	15,750	15,800	0	2,145	3,665	0	2,305	3,876
11,600	11,650	0	2,506	4,140	33	2,506	4,140	15,800	15,850	0	2,137	3,655	0	2,297	3,865
11,650	11,700	0	2,506	4,140	29	2,506	4,140	15,850	15,900	0	2,129	3,644	0	2,289	3,855
11,700	11,750	0	2,506	4,140	26	2,506	4,140	15,900	15,950	0	2,121	3,634	0	2,281	3,844
11,750	11,800	0	2,506	4,140	22	2,506	4,140	15,950	16,000	0	2,113	3,623	0	2,273	3,834
11,800	11,850	0	2,506	4,140	18	2,506	4,140	16,000	16,050	0	2,106	3,612	0	2,265	3,823
11,850	11,900	0	2,506	4,140	14	2,506	4,140	16,050	16,100	0	2,098	3,602	0	2,257	3,813
11,900	11,950	0	2,506	4,140	10	2,506	4,140	16,100	16,150	0	2,090	3,591	0	2,249	3,802
11,950	12,000	0	2,506	4,140	7	2,506	4,140	16,150	16,200	0	2,082	3,581	0	2,241	3,791
12,000	12,050	0	2,506	4,140	3	2,506	4,140	16,200	16,250	0	2,074	3,570	0	2,233	3,781
12,050	12,100	0	2,506	4,140	*	2,506	4,140	16,250	16,300	0	2,066	3,560	0	2,225	3,770
12,100	13,550	0	2,506	4,140	0	2,506	4,140	16,300	16,350	0	2,058	3,549	0	2,217	3,760
13,550	13,600	0	2,497	4,128	0	2,506	4,140	16,350	16,400	0	2,050	3,539	0	2,209	3,749
13,600	13,650	0	2,489	4,118	0	2,506	4,140	16,400	16,450	0	2,042	3,528	0	2,201	3,739
13,650	13,700	0	2,481	4,107	0	2,506	4,140	16,450	16,500	0	2,034	3,518	0	2,193	3,728
13,700	13,750	0	2,473	4,097	0	2,506	4,140	16,500	16,550	0	2,026	3,507	0	2,185	3,718
13,750	13,800	0	2,465	4,086	0	2,506	4,140	16,550	16,600	0	2,018	3,497	0	2,177	3,707
13,800	13,850	0	2,457	4,076	0	2,506	4,140	16,600	16,650	0	2,010	3,486	0	2,169	3,697
13,850	13,900	0	2,449	4,065	0	2,506	4,140	16,650	16,700	0	2,002	3,476	0	2,161	3,686
13,900	13,950	0	2,441	4,055	0	2,506	4,140	16,700	16,750	0	1,994	3,465	0	2,153	3,676
13,950	14,000	0	2,433	4,044	0	2,506	4,140	16,750	16,800	0	1,986	3,454	0	2,145	3,665
14,000	14,050	0	2,425	4,034	0	2,506	4,140	16,800	16,850	0	1,978	3,444	0	2,137	3,655
14,050	14,100	0	2,417	4,023	0	2,506	4,140	16,850	16,900	0	1,970	3,433	0	2,129	3,644
14,100	14,150	0	2,409	4,013	0	2,506	4,140	16,900	16,950	0	1,962	3,423	0	2,121	3,634
14,150	14,200	0	2,401	4,002	0	2,506	4,140	16,950	17,000	0	1,954	3,412	0	2,113	3,623
14,200	14,250	0	2,393	3,992	0	2,506	4,140	17,000	17,050	0	1,946	3,402	0	2,106	3,612
14,250	14,300	0	2,385	3,981	0	2,506	4,140	17,050	17,100	0	1,938	3,391	0	2,098	3,602
14,300	14,350	0	2,377	3,970	0	2,506	4,140	17,100	17,150	0	1,930	3,381	0	2,090	3,591
14,350	14,400	0	2,369	3,960	0	2,506	4,140	17,150	17,200	0	1,922	3,370	0	2,082	3,581
14,400	14,450	0	2,361	3,949	0	2,506	4,140	17,200	17,250	0	1,914	3,360	0	2,074	3,570
14,450	14,500	0	2,353	3,939	0	2,506	4,140	17,250	17,300	0	1,906	3,349	0	2,066	3,560
14,500	14,550	0	2,345	3,928	0	2,506	4,140	17,300	17,350	0	1,898	3,339	0	2,058	3,549
14,550	14,600	0	2,337	3,918	0	2,497	4,128	17,350	17,400	0	1,890	3,328	0	2,050	3,539

*If the amount you are looking up from the worksheet is at least \$11,050 (\$12,050 if married filing jointly) but less than \$11,060 (\$12,060 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

(Continued)

2002 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
17,400	17,450	0	1,882	3,318	0	2,042	3,528	20,200	20,250	0	1,434	2,728	0	1,594	2,939
17,450	17,500	0	1,874	3,307	0	2,034	3,518	20,250	20,300	0	1,426	2,717	0	1,586	2,928
17,500	17,550	0	1,866	3,297	0	2,026	3,507	20,300	20,350	0	1,418	2,707	0	1,578	2,917
17,550	17,600	0	1,858	3,286	0	2,018	3,497	20,350	20,400	0	1,410	2,696	0	1,570	2,907
17,600	17,650	0	1,850	3,275	0	2,010	3,486	20,400	20,450	0	1,402	2,686	0	1,562	2,896
17,650	17,700	0	1,842	3,265	0	2,002	3,476	20,450	20,500	0	1,394	2,675	0	1,554	2,886
17,700	17,750	0	1,834	3,254	0	1,994	3,465	20,500	20,550	0	1,386	2,665	0	1,546	2,875
17,750	17,800	0	1,826	3,244	0	1,986	3,454	20,550	20,600	0	1,378	2,654	0	1,538	2,865
17,800	17,850	0	1,818	3,233	0	1,978	3,444	20,600	20,650	0	1,370	2,644	0	1,530	2,854
17,850	17,900	0	1,810	3,223	0	1,970	3,433	20,650	20,700	0	1,362	2,633	0	1,522	2,844
17,900	17,950	0	1,802	3,212	0	1,962	3,423	20,700	20,750	0	1,354	2,623	0	1,514	2,833
17,950	18,000	0	1,794	3,202	0	1,954	3,412	20,750	20,800	0	1,346	2,612	0	1,506	2,823
18,000	18,050	0	1,786	3,191	0	1,946	3,402	20,800	20,850	0	1,338	2,602	0	1,498	2,812
18,050	18,100	0	1,778	3,181	0	1,938	3,391	20,850	20,900	0	1,330	2,591	0	1,490	2,802
18,100	18,150	0	1,770	3,170	0	1,930	3,381	20,900	20,950	0	1,322	2,581	0	1,482	2,791
18,150	18,200	0	1,762	3,160	0	1,922	3,370	20,950	21,000	0	1,314	2,570	0	1,474	2,781
18,200	18,250	0	1,754	3,149	0	1,914	3,360	21,000	21,050	0	1,307	2,559	0	1,466	2,770
18,250	18,300	0	1,746	3,139	0	1,906	3,349	21,050	21,100	0	1,299	2,549	0	1,458	2,760
18,300	18,350	0	1,738	3,128	0	1,898	3,339	21,100	21,150	0	1,291	2,538	0	1,450	2,749
18,350	18,400	0	1,730	3,118	0	1,890	3,328	21,150	21,200	0	1,283	2,528	0	1,442	2,738
18,400	18,450	0	1,722	3,107	0	1,882	3,318	21,200	21,250	0	1,275	2,517	0	1,434	2,728
18,450	18,500	0	1,714	3,096	0	1,874	3,307	21,250	21,300	0	1,267	2,507	0	1,426	2,717
18,500	18,550	0	1,706	3,086	0	1,866	3,297	21,300	21,350	0	1,259	2,496	0	1,418	2,707
18,550	18,600	0	1,698	3,075	0	1,858	3,286	21,350	21,400	0	1,251	2,486	0	1,410	2,696
18,600	18,650	0	1,690	3,065	0	1,850	3,275	21,400	21,450	0	1,243	2,475	0	1,402	2,686
18,650	18,700	0	1,682	3,054	0	1,842	3,265	21,450	21,500	0	1,235	2,465	0	1,394	2,675
18,700	18,750	0	1,674	3,044	0	1,834	3,254	21,500	21,550	0	1,227	2,454	0	1,386	2,665
18,750	18,800	0	1,666	3,033	0	1,826	3,244	21,550	21,600	0	1,219	2,444	0	1,378	2,654
18,800	18,850	0	1,658	3,023	0	1,818	3,233	21,600	21,650	0	1,211	2,433	0	1,370	2,644
18,850	18,900	0	1,650	3,012	0	1,810	3,223	21,650	21,700	0	1,203	2,423	0	1,362	2,633
18,900	18,950	0	1,642	3,002	0	1,802	3,212	21,700	21,750	0	1,195	2,412	0	1,354	2,623
18,950	19,000	0	1,634	2,991	0	1,794	3,202	21,750	21,800	0	1,187	2,401	0	1,346	2,612
19,000	19,050	0	1,626	2,981	0	1,786	3,191	21,800	21,850	0	1,179	2,391	0	1,338	2,602
19,050	19,100	0	1,618	2,970	0	1,778	3,181	21,850	21,900	0	1,171	2,380	0	1,330	2,591
19,100	19,150	0	1,610	2,960	0	1,770	3,170	21,900	21,950	0	1,163	2,370	0	1,322	2,581
19,150	19,200	0	1,602	2,949	0	1,762	3,160	21,950	22,000	0	1,155	2,359	0	1,314	2,570
19,200	19,250	0	1,594	2,939	0	1,754	3,149	22,000	22,050	0	1,147	2,349	0	1,307	2,559
19,250	19,300	0	1,586	2,928	0	1,746	3,139	22,050	22,100	0	1,139	2,338	0	1,299	2,549
19,300	19,350	0	1,578	2,917	0	1,738	3,128	22,100	22,150	0	1,131	2,328	0	1,291	2,538
19,350	19,400	0	1,570	2,907	0	1,730	3,118	22,150	22,200	0	1,123	2,317	0	1,283	2,528
19,400	19,450	0	1,562	2,896	0	1,722	3,107	22,200	22,250	0	1,115	2,307	0	1,275	2,517
19,450	19,500	0	1,554	2,886	0	1,714	3,096	22,250	22,300	0	1,107	2,296	0	1,267	2,507
19,500	19,550	0	1,546	2,875	0	1,706	3,086	22,300	22,350	0	1,099	2,286	0	1,259	2,496
19,550	19,600	0	1,538	2,865	0	1,698	3,075	22,350	22,400	0	1,091	2,275	0	1,251	2,486
19,600	19,650	0	1,530	2,854	0	1,690	3,065	22,400	22,450	0	1,083	2,265	0	1,243	2,475
19,650	19,700	0	1,522	2,844	0	1,682	3,054	22,450	22,500	0	1,075	2,254	0	1,235	2,465
19,700	19,750	0	1,514	2,833	0	1,674	3,044	22,500	22,550	0	1,067	2,244	0	1,227	2,454
19,750	19,800	0	1,506	2,823	0	1,666	3,033	22,550	22,600	0	1,059	2,233	0	1,219	2,444
19,800	19,850	0	1,498	2,812	0	1,658	3,023	22,600	22,650	0	1,051	2,222	0	1,211	2,433
19,850	19,900	0	1,490	2,802	0	1,650	3,012	22,650	22,700	0	1,043	2,212	0	1,203	2,423
19,900	19,950	0	1,482	2,791	0	1,642	3,002	22,700	22,750	0	1,035	2,201	0	1,195	2,412
19,950	20,000	0	1,474	2,781	0	1,634	2,991	22,750	22,800	0	1,027	2,191	0	1,187	2,401
20,000	20,050	0	1,466	2,770	0	1,626	2,981	22,800	22,850	0	1,019	2,180	0	1,179	2,391
20,050	20,100	0	1,458	2,760	0	1,618	2,970	22,850	22,900	0	1,011	2,170	0	1,171	2,380
20,100	20,150	0	1,450	2,749	0	1,610	2,960	22,900	22,950	0	1,003	2,159	0	1,163	2,370
20,150	20,200	0	1,442	2,738	0	1,602	2,949	22,950	23,000	0	995	2,149	0	1,155	2,359

(Continued)

2002 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
23,000	23,050	0	987	2,138	0	1,147	2,349	25,800	25,850	0	539	1,549	0	699	1,759
23,050	23,100	0	979	2,128	0	1,139	2,338	25,850	25,900	0	531	1,538	0	691	1,749
23,100	23,150	0	971	2,117	0	1,131	2,328	25,900	25,950	0	523	1,528	0	683	1,738
23,150	23,200	0	963	2,107	0	1,123	2,317	25,950	26,000	0	515	1,517	0	675	1,728
23,200	23,250	0	955	2,096	0	1,115	2,307	26,000	26,050	0	508	1,506	0	667	1,717
23,250	23,300	0	947	2,086	0	1,107	2,296	26,050	26,100	0	500	1,496	0	659	1,707
23,300	23,350	0	939	2,075	0	1,099	2,286	26,100	26,150	0	492	1,485	0	651	1,696
23,350	23,400	0	931	2,065	0	1,091	2,275	26,150	26,200	0	484	1,475	0	643	1,685
23,400	23,450	0	923	2,054	0	1,083	2,265	26,200	26,250	0	476	1,464	0	635	1,675
23,450	23,500	0	915	2,043	0	1,075	2,254	26,250	26,300	0	468	1,454	0	627	1,664
23,500	23,550	0	907	2,033	0	1,067	2,244	26,300	26,350	0	460	1,443	0	619	1,654
23,550	23,600	0	899	2,022	0	1,059	2,233	26,350	26,400	0	452	1,433	0	611	1,643
23,600	23,650	0	891	2,012	0	1,051	2,222	26,400	26,450	0	444	1,422	0	603	1,633
23,650	23,700	0	883	2,001	0	1,043	2,212	26,450	26,500	0	436	1,412	0	595	1,622
23,700	23,750	0	875	1,991	0	1,035	2,201	26,500	26,550	0	428	1,401	0	587	1,612
23,750	23,800	0	867	1,980	0	1,027	2,191	26,550	26,600	0	420	1,391	0	579	1,601
23,800	23,850	0	859	1,970	0	1,019	2,180	26,600	26,650	0	412	1,380	0	571	1,591
23,850	23,900	0	851	1,959	0	1,011	2,170	26,650	26,700	0	404	1,370	0	563	1,580
23,900	23,950	0	843	1,949	0	1,003	2,159	26,700	26,750	0	396	1,359	0	555	1,570
23,950	24,000	0	835	1,938	0	995	2,149	26,750	26,800	0	388	1,348	0	547	1,559
24,000	24,050	0	827	1,928	0	987	2,138	26,800	26,850	0	380	1,338	0	539	1,549
24,050	24,100	0	819	1,917	0	979	2,128	26,850	26,900	0	372	1,327	0	531	1,538
24,100	24,150	0	811	1,907	0	971	2,117	26,900	26,950	0	364	1,317	0	523	1,528
24,150	24,200	0	803	1,896	0	963	2,107	26,950	27,000	0	356	1,306	0	515	1,517
24,200	24,250	0	795	1,886	0	955	2,096	27,000	27,050	0	348	1,296	0	508	1,506
24,250	24,300	0	787	1,875	0	947	2,086	27,050	27,100	0	340	1,285	0	500	1,496
24,300	24,350	0	779	1,864	0	939	2,075	27,100	27,150	0	332	1,275	0	492	1,485
24,350	24,400	0	771	1,854	0	931	2,065	27,150	27,200	0	324	1,264	0	484	1,475
24,400	24,450	0	763	1,843	0	923	2,054	27,200	27,250	0	316	1,254	0	476	1,464
24,450	24,500	0	755	1,833	0	915	2,043	27,250	27,300	0	308	1,243	0	468	1,454
24,500	24,550	0	747	1,822	0	907	2,033	27,300	27,350	0	300	1,233	0	460	1,443
24,550	24,600	0	739	1,812	0	899	2,022	27,350	27,400	0	292	1,222	0	452	1,433
24,600	24,650	0	731	1,801	0	891	2,012	27,400	27,450	0	284	1,212	0	444	1,422
24,650	24,700	0	723	1,791	0	883	2,001	27,450	27,500	0	276	1,201	0	436	1,412
24,700	24,750	0	715	1,780	0	875	1,991	27,500	27,550	0	268	1,191	0	428	1,401
24,750	24,800	0	707	1,770	0	867	1,980	27,550	27,600	0	260	1,180	0	420	1,391
24,800	24,850	0	699	1,759	0	859	1,970	27,600	27,650	0	252	1,169	0	412	1,380
24,850	24,900	0	691	1,749	0	851	1,959	27,650	27,700	0	244	1,159	0	404	1,370
24,900	24,950	0	683	1,738	0	843	1,949	27,700	27,750	0	236	1,148	0	396	1,359
24,950	25,000	0	675	1,728	0	835	1,938	27,750	27,800	0	228	1,138	0	388	1,348
25,000	25,050	0	667	1,717	0	827	1,928	27,800	27,850	0	220	1,127	0	380	1,338
25,050	25,100	0	659	1,707	0	819	1,917	27,850	27,900	0	212	1,117	0	372	1,327
25,100	25,150	0	651	1,696	0	811	1,907	27,900	27,950	0	204	1,106	0	364	1,317
25,150	25,200	0	643	1,685	0	803	1,896	27,950	28,000	0	196	1,096	0	356	1,306
25,200	25,250	0	635	1,675	0	795	1,886	28,000	28,050	0	188	1,085	0	348	1,296
25,250	25,300	0	627	1,664	0	787	1,875	28,050	28,100	0	180	1,075	0	340	1,285
25,300	25,350	0	619	1,654	0	779	1,864	28,100	28,150	0	172	1,064	0	332	1,275
25,350	25,400	0	611	1,643	0	771	1,854	28,150	28,200	0	164	1,054	0	324	1,264
25,400	25,450	0	603	1,633	0	763	1,843	28,200	28,250	0	156	1,043	0	316	1,254
25,450	25,500	0	595	1,622	0	755	1,833	28,250	28,300	0	148	1,033	0	308	1,243
25,500	25,550	0	587	1,612	0	747	1,822	28,300	28,350	0	140	1,022	0	300	1,233
25,550	25,600	0	579	1,601	0	739	1,812	28,350	28,400	0	132	1,012	0	292	1,222
25,600	25,650	0	571	1,591	0	731	1,801	28,400	28,450	0	124	1,001	0	284	1,212
25,650	25,700	0	563	1,580	0	723	1,791	28,450	28,500	0	116	990	0	276	1,201
25,700	25,750	0	555	1,570	0	715	1,780	28,500	28,550	0	108	980	0	268	1,191
25,750	25,800	0	547	1,559	0	707	1,770	28,550	28,600	0	100	969	0	260	1,180

(Continued)

2002 Earned Income Credit (EIC) Table—Continued (Caution. This is not a tax table.)

If the amount you are looking up from the worksheet is—		And your filing status is—						If the amount you are looking up from the worksheet is—		And your filing status is—					
		Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—					Single, head of household, or qualifying widow(er) and you have—			Married filing jointly and you have—		
		No children	One child	Two children	No children	One child	Two children			No children	One child	Two children	No children	One child	Two children
At least	But less than	Your credit is—			Your credit is—			At least	But less than	Your credit is—			Your credit is—		
28,600	28,650	0	92	959	0	252	1,169	31,400	31,450	0	0	369	0	0	580
28,650	28,700	0	84	948	0	244	1,159	31,450	31,500	0	0	359	0	0	569
28,700	28,750	0	76	938	0	236	1,148	31,500	31,550	0	0	348	0	0	559
28,750	28,800	0	68	927	0	228	1,138	31,550	31,600	0	0	338	0	0	548
28,800	28,850	0	60	917	0	220	1,127	31,600	31,650	0	0	327	0	0	538
28,850	28,900	0	52	906	0	212	1,117	31,650	31,700	0	0	317	0	0	527
28,900	28,950	0	44	896	0	204	1,106	31,700	31,750	0	0	306	0	0	517
28,950	29,000	0	36	885	0	196	1,096	31,750	31,800	0	0	295	0	0	506
29,000	29,050	0	28	875	0	188	1,085	31,800	31,850	0	0	285	0	0	496
29,050	29,100	0	20	864	0	180	1,075	31,850	31,900	0	0	274	0	0	485
29,100	29,150	0	12	854	0	172	1,064	31,900	31,950	0	0	264	0	0	475
29,150	29,200	0	4	843	0	164	1,054	31,950	32,000	0	0	253	0	0	464
29,200	29,250	0	**	833	0	156	1,043	32,000	32,050	0	0	243	0	0	453
29,250	29,300	0	0	822	0	148	1,033	32,050	32,100	0	0	232	0	0	443
29,300	29,350	0	0	811	0	140	1,022	32,100	32,150	0	0	222	0	0	432
29,350	29,400	0	0	801	0	132	1,012	32,150	32,200	0	0	211	0	0	422
29,400	29,450	0	0	790	0	124	1,001	32,200	32,250	0	0	201	0	0	411
29,450	29,500	0	0	780	0	116	990	32,250	32,300	0	0	190	0	0	401
29,500	29,550	0	0	769	0	108	980	32,300	32,350	0	0	180	0	0	390
29,550	29,600	0	0	759	0	100	969	32,350	32,400	0	0	169	0	0	380
29,600	29,650	0	0	748	0	92	959	32,400	32,450	0	0	159	0	0	369
29,650	29,700	0	0	738	0	84	948	32,450	32,500	0	0	148	0	0	359
29,700	29,750	0	0	727	0	76	938	32,500	32,550	0	0	138	0	0	348
29,750	29,800	0	0	717	0	68	927	32,550	32,600	0	0	127	0	0	338
29,800	29,850	0	0	706	0	60	917	32,600	32,650	0	0	116	0	0	327
29,850	29,900	0	0	696	0	52	906	32,650	32,700	0	0	106	0	0	317
29,900	29,950	0	0	685	0	44	896	32,700	32,750	0	0	95	0	0	306
29,950	30,000	0	0	675	0	36	885	32,750	32,800	0	0	85	0	0	295
30,000	30,050	0	0	664	0	28	875	32,800	32,850	0	0	74	0	0	285
30,050	30,100	0	0	654	0	20	864	32,850	32,900	0	0	64	0	0	274
30,100	30,150	0	0	643	0	12	854	32,900	32,950	0	0	53	0	0	264
30,150	30,200	0	0	632	0	4	843	32,950	33,000	0	0	43	0	0	253
30,200	30,250	0	0	622	0	**	833	33,000	33,050	0	0	32	0	0	243
30,250	30,300	0	0	611	0	0	822	33,050	33,100	0	0	22	0	0	232
30,300	30,350	0	0	601	0	0	811	33,100	33,150	0	0	11	0	0	222
30,350	30,400	0	0	590	0	0	801	33,150	33,200	0	0	***	0	0	211
30,400	30,450	0	0	580	0	0	790	33,200	33,250	0	0	0	0	0	201
30,450	30,500	0	0	569	0	0	780	33,250	33,300	0	0	0	0	0	190
30,500	30,550	0	0	559	0	0	769	33,300	33,350	0	0	0	0	0	180
30,550	30,600	0	0	548	0	0	759	33,350	33,400	0	0	0	0	0	169
30,600	30,650	0	0	538	0	0	748	33,400	33,450	0	0	0	0	0	159
30,650	30,700	0	0	527	0	0	738	33,450	33,500	0	0	0	0	0	148
30,700	30,750	0	0	517	0	0	727	33,500	33,550	0	0	0	0	0	138
30,750	30,800	0	0	506	0	0	717	33,550	33,600	0	0	0	0	0	127
30,800	30,850	0	0	496	0	0	706	33,600	33,650	0	0	0	0	0	116
30,850	30,900	0	0	485	0	0	696	33,650	33,700	0	0	0	0	0	106
30,900	30,950	0	0	475	0	0	685	33,700	33,750	0	0	0	0	0	95
30,950	31,000	0	0	464	0	0	675	33,750	33,800	0	0	0	0	0	85
31,000	31,050	0	0	453	0	0	664	33,800	33,850	0	0	0	0	0	74
31,050	31,100	0	0	443	0	0	654	33,850	33,900	0	0	0	0	0	64
31,100	31,150	0	0	432	0	0	643	33,900	33,950	0	0	0	0	0	53
31,150	31,200	0	0	422	0	0	632	33,950	34,000	0	0	0	0	0	43
31,200	31,250	0	0	411	0	0	622	34,000	34,050	0	0	0	0	0	32
31,250	31,300	0	0	401	0	0	611	34,050	34,100	0	0	0	0	0	22
31,300	31,350	0	0	390	0	0	601	34,100	34,150	0	0	0	0	0	11
31,350	31,400	0	0	380	0	0	590	34,150	34,178	0	0	0	0	0	3
								34,178 or more		0	0	0	0	0	0

**If the amount you are looking up from the worksheet is at least \$29,200 (\$30,200 if married filing jointly) but less than \$29,201 (\$30,201 if married filing jointly), your credit is \$1. Otherwise, you cannot take the credit.

***If the amount you are looking up from the worksheet is at least \$33,150 but less than \$33,178, your credit is \$3. Otherwise, you cannot take the credit.

How To Get Tax Help

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

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

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate at **1-877-777-4778**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.

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

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- Get information on starting and operating a small business.

You can also reach us with your computer using File Transfer Protocol at **ftp.irs.gov**.



TaxFax Service. Using the phone attached to your fax machine, you can receive forms and instructions by calling **703-368-9694**. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.

For help with transmission problems, call the FedWorld Help Desk at **703-487-4608**.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current and prior year forms, instructions, and publications.
- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.

- *Solving problems.* Take advantage of Everyday Tax Solutions service by calling your local IRS office to set up an in-person appointment at your convenience. Check your local directory assistance or **www.irs.gov** for the numbers.
- *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.

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



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

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county governments, credit unions, and office supply stores have an extensive collection of products available to print from a CD-ROM or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- *Services.* You can walk in to your local IRS office to ask tax questions or get help with a tax problem. Now you can set up an appointment by calling your local IRS office number and, at the prompt, leaving a message requesting Everyday Tax Solutions help. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience.



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

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



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

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

The CD-ROM can be purchased from National Technical Information Service (NTIS) by calling **1-877-233-6767** or on the Internet at **<http://www.irs.gov/cdorders>**. The first release is available in early January and the final release is available in late February.



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

It is available in March. You can get a free copy by calling **1-800-829-3676** or by visiting the website at **www.irs.gov/smallbiz**.

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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
1. Do you, your spouse, and your qualifying child each have a valid SSN? (See <i>Rule 1.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
2. Is your filing status married filing jointly, head of household, qualifying widow(er), or single? (See <i>Rule 2.</i>) Caution: If you are a nonresident alien, answer YES only if your filing status is married filing jointly and you are married to a U.S. citizen or resident alien. (See <i>Rule 3.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
3. Answer YES if you are not filing Form 2555 or Form 2555–EZ. Otherwise, answer NO . (See <i>Rule 4.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
4. Is your investment income \$2,550 or less? (See <i>Rule 5.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
5. Is your AGI less than: • \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child, • \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or • \$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child? (See <i>Rule 14.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
6. Is your total earned income at least \$1 but less than: • \$11,060 (\$12,060 for married filing jointly) if you do not have a qualifying child, • \$29,201 (\$30,201 for married filing jointly) if you have one qualifying child, or • \$33,178 (\$34,178 for married filing jointly) if you have more than one qualifying child? (See <i>Rules 6 and 15.</i>)	<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 <i>Rules 9 and 12.</i>) 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.*	<input type="checkbox"/>	<input type="checkbox"/>
8. Does your child meet the age, residency, and relationship tests for a qualifying child? (See <i>Rule 7.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
9. Is your child a qualifying child only for you? Answer YES if your qualifying child also meets the tests to be a qualifying child of another person, but either (a) the other person is not claiming the EIC using that child, or (b) if the other person is claiming the EIC using that child, <i>Rule 8</i> allows you, and not the other person, to treat the child as qualifying child. (See <i>Rule 8.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
10. Was your main home (and your spouse's if filing a joint return) in the United States for more than half the year? (See <i>Rule 13.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
11. Were you (or your spouse if filing a joint return) at least age 25 but under age 65 at the end of 2002? (See <i>Rule 10.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
12. Answer YES if you (and your spouse if filing a joint return) cannot be claimed as a dependent on anyone else's return. Answer NO if you (or your spouse if filing a joint return) can be claimed as a dependent on someone else's return. (See <i>Rule 11.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
<p>*PERSONS WITH A QUALIFYING CHILD: If you answered YES to questions 1 through 9, you can claim the EIC. Remember to fill out Schedule EIC and attach it to your Form 1040 or Form 1040A. You cannot use Form 1040EZ.</p> <p>PERSONS WITHOUT A QUALIFYING CHILD: If you answered YES to questions 1 through 7, and 10 through 12, you can claim the EIC.</p> <p>If you answered NO to any question that applies to you: You cannot claim the EIC.</p>		