

# Paid Preparer's Earned Income Credit Checklist

▶ Do not send to the IRS. Keep for your records.

For the definitions of the following terms, see **Pub. 596** for the year for which you are completing this form.

- Investment Income
- Qualifying Child
- Modified AGI
- Earned Income
- Nontaxable Earned Income

**Caution:** Taxpayers who file **Form 2555** or **Form 2555-EZ** cannot claim the earned income credit (EIC). Taxpayers who were nonresident aliens for any part of the year cannot claim the EIC unless their filing status is married filing jointly.

## Part I All Taxpayers

- 1 Enter the taxpayer's name ▶ .....  
 and the year for which you are completing this form . . . . . ▶ .....
- 2 Is the taxpayer's filing status married filing jointly, head of household, qualifying widow(er), or single?  Yes  No
- 3 Does the taxpayer, and the taxpayer's spouse if filing jointly, have a social security number (SSN) that allows him or her to work? See the instructions before answering . . . . .  Yes  No
- Note:** If you checked "No" on line 2 or line 3, stop; the taxpayer cannot claim the EIC. Otherwise, continue.
- 4 Is the taxpayer's investment income more than the limit that applies to the year on line 1? See Pub. 596 for the limit . . . . .  Yes  No
- 5 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a qualifying child of another person in the year on line 1? . . . . .  Yes  No
- Note:** If you checked "Yes" on line 4 or line 5, stop; the taxpayer cannot claim the EIC. Otherwise, go to Part II or Part III, whichever applies.

## Part II Taxpayers With a Qualifying Child

**Caution:** If there are two children, complete lines 6–11 for one child before going to the next column.

	Child 1	Child 2
6 Is the child— <ul style="list-style-type: none"> <li>● The taxpayer's son, daughter, or adopted child, or</li> <li>● A descendant of the taxpayer's son, daughter, or adopted child, or</li> <li>● The taxpayer's stepchild, or</li> <li>● The taxpayer's eligible foster child? . . . . .</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
7 If the child is married, is the taxpayer claiming the child as a dependent? (If the child is not married, check "Yes.") . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8 Did the child live with the taxpayer in the United States for over half of the year, or the full year if the child is an eligible foster child? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 Was the child (at the end of the year on line 1)— <ul style="list-style-type: none"> <li>● Under age 19, or</li> <li>● Under age 24 and a full-time student, or</li> <li>● Any age and permanently and totally disabled? . . . . .</li> </ul>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Did you check "Yes" on lines 6 through 9?</b> <input type="checkbox"/> <b>Yes.</b> The child is the taxpayer's qualifying child. But the child may also be the qualifying child of one or more other taxpayers who could check "Yes" on lines 6 through 9. Go to line 10. <input type="checkbox"/> <b>No.</b> The child is not the taxpayer's qualifying child. If the taxpayer does not have a qualifying child, go to Part III on the back to see if the taxpayer can claim the EIC for taxpayers who do not have a qualifying child.		
10 Is the taxpayer's modified AGI higher than the modified AGI of all other taxpayers for whom the child is a qualifying child? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
11 Does the qualifying child have an SSN? See the instructions before answering . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Did you check "Yes" on line 10 and line 11?**

- Yes.** The taxpayer can claim the EIC if the taxpayer's earned income and modified AGI are each less than the limit that applies to the year on line 1. See Pub. 596 for the limit. Complete **Schedule EIC** and attach it to the taxpayer's return. If there are two qualifying children with SSNs, list them on Schedule EIC in the same order as they are listed here. Also, enter any **nontaxable earned income** on the appropriate line of the taxpayer's return for the year on line 1. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if **Form 8862** must also be filed.
- No.** The taxpayer cannot claim the EIC, not even the credit for taxpayers who do not have a qualifying child.

**Part III Taxpayers Without a Qualifying Child**

- 12** Was the taxpayer's main home, and the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period.) . . . . .  **Yes**  **No**
- 13** Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of the year on line 1? . . . . .  **Yes**  **No**
- Note:** If you checked "No" on line 12 or line 13, stop; the taxpayer cannot claim the EIC. Otherwise, continue.
- 14** Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's Federal income tax return for the year on line 1?
- No.** The taxpayer can claim the EIC if the taxpayer's **earned income** and **modified AGI** are each less than the limit that applies to the year on line 1. See Pub. 596 for the limit. Also, any **nontaxable earned income** must be entered on the appropriate line of the taxpayer's return for the year on line 1. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if **Form 8862** must be filed.
- Yes.** The taxpayer **cannot** claim the EIC.

**General Instructions**

**Purpose of Form**

Paid preparers of Federal income tax returns or claims for refund involving the earned income credit (EIC) must meet the due diligence requirements in determining if the taxpayer is eligible for, and the amount of, the EIC. Failure to do so could result in a \$100 penalty for each failure. See Internal Revenue Code section 6695(g).

**Due Diligence Requirements.** You will meet the due diligence requirements if **all four** of the following apply.

1. You complete Form 8867 (or your own form as long as it provides the same information as Form 8867).
2. You complete the EIC worksheet(s) in the Form 1040, 1040A, or 1040EZ instructions, or in Pub. 596 (or your own worksheet(s) as long as it provides the same information as the 1040, 1040A, 1040EZ, or Pub. 596 worksheet(s)).
3. You have no knowledge that any of the information used to determine if the taxpayer is eligible for, and the amount of, the EIC is incorrect.
4. You keep the following information for 3 years\*:
  - Form 8867 (or your own form), **and**
  - The EIC worksheet(s) (or your own worksheet(s)), **and**
  - A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained.

\*For returns and claims for refund due after October 16, 2000, the 3-year period begins the June 30th following the date you give the return or claim to the taxpayer to sign.

**Specific Instructions**

**Line 2**

If the taxpayer was married at the end of the year, he or she must usually file a joint return to claim the EIC. However, if the taxpayer and his or her spouse were not living together at the end of the year, the taxpayer may be eligible to be treated as unmarried. See **Pub. 596**, Earned Income Credit, for details.

**Line 3**

For purposes of taking the EIC, an SSN is a number issued by the Social Security Administration to a U.S. citizen or to a person who has permission from the Immigration and Naturalization Service to work in the United States. It does not include an SSN issued only to allow a person to apply for or receive Federally funded benefits. You may find it useful to look at the social security card.

**Line 6**

An **adopted child** includes a child placed with the taxpayer by an authorized placement agency for legal adoption even if the adoption is not final. An authorized placement agency includes any person authorized by state law to place children for legal adoption.

A **descendant** usually refers to a grandchild or great-grandchild of the taxpayer.

An **eligible foster child** is a child the taxpayer cared for as his or her own child and who lived with the taxpayer for the whole year. But see Pub. 596 for an exception if the child did not live with the taxpayer for the required time. **For years after 1999**, to be an eligible foster child a child must also be **(a)** a brother, sister, stepbrother, or stepsister of the taxpayer; **(b)** a descendant (such as a child, including an adopted child) of a brother, sister, stepbrother, or stepsister of the taxpayer; or **(c)** a child placed with the taxpayer by an authorized placement agency.

See Pub. 596 for more details on the relationship test for qualifying children.

**Line 7**

If the child is married and the child's other parent claimed him or her as a dependent under the special rules for children of divorced or separated parents, check "Yes."

**Line 10**

If no one else lived with the taxpayer and the child, check "Yes." Also check "Yes" if the taxpayer is married filing jointly and the only other person who lived with the taxpayer and the child was the taxpayer's spouse.

You must ask the taxpayer if his or her modified AGI is higher than the modified AGI of any other taxpayer for whom the child is a qualifying child. If necessary, you must explain to the taxpayer what modified AGI means. However, you do not have to verify the amount of any other taxpayer's modified AGI.

**Line 11**

See the line 3 instructions for the definition of an SSN. If the child does not have an SSN because he or she was born and died in the year entered on line 1, check "Yes."

**Paperwork Reduction Act Notice.** We ask for you to obtain the information on this form to carry out the Internal Revenue laws of the United States. You are required to obtain this information.

You are not required to obtain the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping**, 13 min.; **Learning about the law or the form**, 8 min.; and **Preparing the form**, 24 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, keep it for your records.

