

Lines 64a and 64b— Earned Income Credit (EIC)

What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

To Take the EIC:

- Follow the steps below.
- Complete the worksheet that applies to you or let the IRS figure the credit for you.
- If you have a qualifying child, complete and attach Schedule EIC.

For help in determining if you are eligible for the EIC, go to www.irs.gov/eic and click on "EITC Assistant." This service is available in English and Spanish.



If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See Form 8862, who must file, on page 48. You may also have to pay penalties.

Step 1 All Filers

- If, in 2010:
 - 3 or more children lived with you, is the amount on Form 1040, line 38, less than \$43,352 (\$48,362 if married filing jointly)?
 - 2 children lived with you, is the amount on Form 1040, line 38, less than \$40,363 (\$45,373 if married filing jointly)?
 - 1 child lived with you, is the amount on Form 1040, line 38, less than \$35,535 (\$40,545 if married filing jointly)?
 - No children lived with you, is the amount on Form 1040, line 38, less than \$13,460 (\$18,470 if married filing jointly)?

Yes. Continue **No.** You cannot take the credit.
- Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (see page 48)?

Yes. Continue **No.** You cannot take the credit. Enter "No" on the dotted line next to line 64a.
- Is your filing status married filing separately?

Yes. You cannot take the credit. **No.** Continue
- Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

Yes. You cannot take the credit. **No.** Continue

- Were you or your spouse a nonresident alien for any part of 2010?

Yes. See *Nonresident aliens* on page 48. **No.** Go to Step 2.

Step 2 Investment Income

- Add the amounts from Form 1040:

Line 8a		_____
Line 8b	+	_____
Line 9a	+	_____
Line 13*	+	_____

Investment Income =

*If line 13 is a loss, enter -0-.

- Is your investment income more than \$3,100?

Yes. Continue **No.** Skip question 3; go to question 4.
- Are you filing Form 4797 (relating to sales of business property)?

Yes. See *Form 4797 filers* on page 48. **No.** You cannot take the credit.
- Do any of the following apply for 2010?
 - You are filing Schedule E.
 - You are a member of a qualified joint venture that is a passive activity reporting rental real estate income not subject to self-employment tax on Schedule C or C-EZ.
 - You are reporting income from the rental of personal property not used in a trade or business.
 - You are reporting income on Form 1040, line 21, from Form 8814 (relating to election to report child's interest and dividends).

Yes. You must use Worksheet 1 in Pub. 596 to see if you can take the credit. **No.** Go to Step 3 on page 46.

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