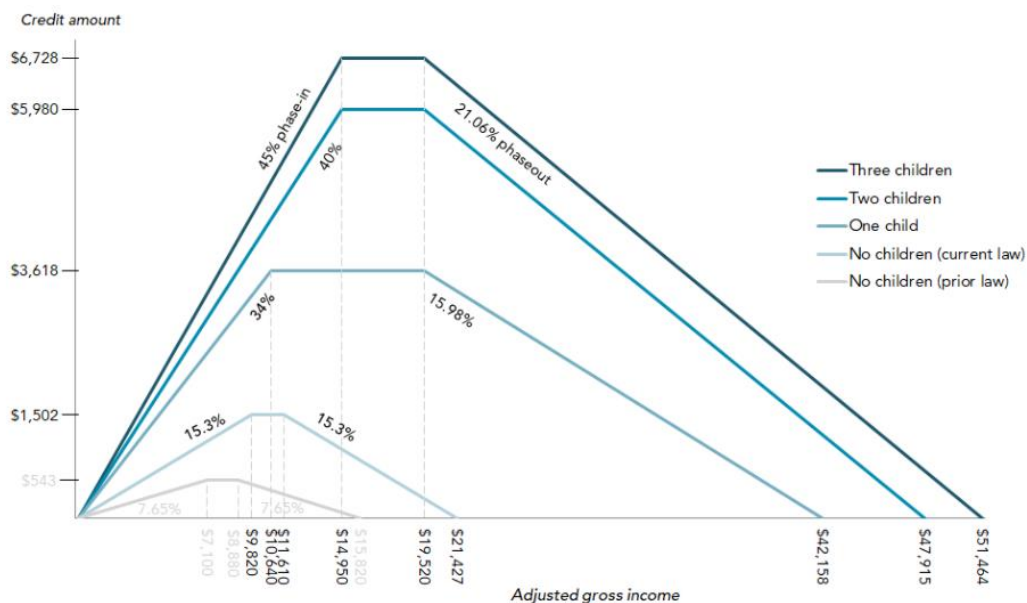


Earned Income Tax Credit Eligibility

Summary of EIC Eligibility Requirements		
Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Don't Have a Qualifying Child
Taxpayers & qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions). ¹	Child must meet the relationship, age, residency test and joint return tests but not the support test. The child doesn't have to be your dependent. ²	Must be at least age 19 ³
Filing status can't be married filing separately unless you meet an exception ⁴ .	Qualifying child can't be used by more than one person to claim the EIC.	Can't be the dependent of another person.
Must be a U.S. citizen or resident alien all year.	The taxpayer can't be a qualifying child of another person.	Must have lived in the United States more than half the year.
Can't file Form 2555 (relating to foreign earned income).		Can't be a qualifying child of another person.
Investment income must be \$10,000 or less.		
Can't be a qualifying child of another person.		
Part D Earned Income and AGI Limitations You must have earned income to qualify for this credit. Your earned income and AGI must be less than: <ul style="list-style-type: none"> ■ \$51,464 (\$57,414 for married filing jointly) if you have three or more qualifying children, ■ \$47,915 (\$53,865 for married filing jointly) if you have two qualifying children, ■ \$42,158 (\$48,108 for married filing jointly) if you have one qualifying child, or ■ \$21,430 (\$27,380 for married filing jointly) if you don't have a qualifying child. 		

IRS Publication 4012, page I-2

Credit Amount



2021 Overview of the Earned Income Tax Credit Lookback

If someone is on the “upslope” of the trapezoid for tax year 2021, you can ask the taxpayer questions to assess if their 2019 income was higher. If the 2019 income was higher, and it brings them further up the “upslope” or puts them onto the plateau, you’ll want to use the lookback! However, if someone is on the “downslope,” the lookback will not be helpful for them.

So...who would this lookback help?

The lookback would HELP Sandra. Here’s why -

Sandra is a single mom with two children. In 2021 she struggled to find work. She made \$10,500 in 2021 working at her friend’s daycare. In 2019, however, Sandra was working about 20 hours a week at a small IT firm, and made \$18,000 in total.

Using Sandra’s 2021 earned income, she would receive about \$4,000 of this credit (reference chart above.) However, if you used her 2019 earned income, she would reach the plateau, and receive the full \$5,980 available to her since she has two children. Employ the EITC lookback in this scenario since it increases Sandra’s refund by about \$2,000!!

Johnson won’t use the lookback. Here’s why -

Johnson is filing single and has no dependents. In 2021 he made \$11,000. If you look at the chart above you’ll notice that he is already in the plateau, and will receive the full credit available to him of \$1,502.

Taxpayers aren’t eligible for the lookback unless it is beneficial to them, so TaxSlayer wouldn’t even allow Johnson to use the lookback. But, for illustration sake, if you were to use his 2019 income of \$17,000 he would move to the “downslope” part of the trapezoid, which would drastically reduce his credit amount to about \$600. The lookback is not used in this scenario, as it would cause Johnson to lose about \$1,000!

How should I talk with the taxpayer about the lookback?

When reviewing a ticket prior to intake, think:

Could this person benefit from the EITC Lookback? Is their income this year significantly different from 2019?

Look for:

- ✓ A large amount of unemployment
- ✓ A low amount of wages or self-employment income

When conducting an intake interview over the phone, ask:

- ✓ “Did you receive the Earned Income Tax Credit last year?”
- ✓ “Is your 2019 earned income significantly higher than your income in 2021?”
- ✓ “Did your income change significantly from 2019 to 2020?”
- ✓ “Let’s take a look at your 2019 tax return. Can you tell me what your earned income amount was?”

EITC Lookback Review

For Tax Year 2021, **if a taxpayer had less earned income in 2021 than in 2019**, you can “lookback” to use the 2019 income **OR** use the 2021 income when claiming the EITC or ACTC on the tax return.

Without the lookback option, many would be eligible for smaller tax credits or not qualify at all. This could be from receiving **unemployment** (which doesn’t count as earned income for the EITC), **losing a job**, or **earning less** money in 2021.

How do I find the 2019 Earned Income?

If we filed their return last year:

1. Go to TaxSlayer
2. In the upper right section of the screen, change the tax year to 2019
3. Search for the client
4. Click the “View/Print return” link
5. Click the large “View/Print return” button
6. Locate the earned income

The image shows two screenshots from the TaxSlayer website. The first screenshot, labeled "Step 2", shows the top navigation bar with "Current User: Rebecca B" and a "Change Tax Year" dropdown menu. The dropdown menu is open, showing a list of years: 2020, 2019, 2018, 2017, and 2016. A green arrow points to the year 2019. The second screenshot, labeled "Step 4", shows a green button with the text "View/Print Return" and a printer icon. A green arrow points to this button. To the right of the button is a link for "Prior Year Comparison". On the far right, a partial sidebar is visible with labels "Collap", "REFU", "AGI", and "Fed".

If we did not file their return last year:

1. Ask the taxpayer to look at a copy of their 2019 tax return
2. Confirm the taxpayer received the EITC in 2019 by having them refer to Form 1040, page 2, line 18a
3. Tell the taxpayer that the earned income amount may be found in a few different places. This information is written on the Supplemental Intake Sheet. Offer one suggestion for where to look at a time. The earned income can be found on **Worksheet A, line 1** OR **Worksheet B, line 4b** OR **Schedule 8812, line 6a**.

Form 1040 (2019) Page 2

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total	12b	
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total	13b	
14	Subtract line 13b from line 12b. If zero or less, enter -0-	14	0
15	Other taxes, including self-employment tax, from Schedule 2, line 10	15	1577
16	Add lines 14 and 15. This is your total tax	16	1577
17	Federal income tax withheld from Forms W-2 and 1099	17	
18	Other payments and refundable credits:		
a	Earned income credit (EIC)	18a	4150
b	Additional child tax credit. Attach Schedule 8812	18b	1181
c	American opportunity credit from Form 8863, line 8	18c	
d	Schedule 3, line 14	18d	
e	Add lines 18a through 18d. These are your total other payments and refundable credits	18e	5331
19	Add lines 17 and 18e. These are your total payments	19	5331
20	If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid	20	3754
21a	Amount of line 20 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	21a	3754
b	Routing number	c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
22	Amount of line 20 you want applied to your 2020 estimated tax	22	
23	Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions	23	
24	Estimated tax penalty (see instructions)	24	

Refund

Direct deposit? See instructions.

Amount You Owe

Third Party Designee (Other than paid preparer)

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. Yes. Complete below. No

Designee's name _____ Phone no. _____ Personal identification number (PIN) _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation _____

Spouse's signature. If a joint return, **both** must sign. _____ Date _____ Spouse's occupation _____

Phone no. _____ Email address _____

Paid Preparer Use Only

Preparer's name _____ Preparer's signature _____ Date _____ PTIN _____ Check if: 3rd Party Designee Self-employed

Firm's name **COMMUNITY ACTION PIONEER VALLEY** Phone no. 413-376-1179


Firm's address **393 MAIN ST GREENFIELD MA 01301** Firm's EIN **-**

Go to www.irs.gov/Form1040 for instructions and the latest information. Form **1040** (2019)

QNA

Step 2

Worksheet A—2019 EIC—Line 18a

Keep for Your Records 


Before you begin: ✓ Be sure you are using the correct worksheet. Use this worksheet only if you answered “No” to Step 5, question 2. Otherwise, use Worksheet B.

Part 1

All Filers Using Worksheet A

1. Enter your earned income from Step 5. 1

2. Look up the amount on line 1 above in the EIC Table (right after Worksheet B) to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 2


If line 2 is zero,  You can't take the credit. Enter “No” on the dotted line next to Form 1040 or 1040-SR, line 18a.

3. Enter the amount from Form 1040 or 1040-SR, line 8b. 3

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

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

Worksheet B—2019 EIC—Line 18a

Keep for Your Records 

Use this worksheet if you answered “Yes” to Step 5, question 2.

✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.

✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1

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

1a. Enter the amount from Schedule SE, Section A, line 3; or Section B, line 3, whichever applies.

1a 11160

b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.

+ 1b

c. Combine lines 1a and 1b.

= 1c

11160

d. Enter the amount from Schedule SE, Section A, line 6; or Section B, line 13, whichever applies.

- 1d

789

e. Subtract line 1d from line 1c.

= 1e

10371

Part 2

Self-Employed NOT Required To File Schedule SE

For example, your net earnings from self-employment were less than \$400.

2. Don't include on these lines any statutory employee income, any net profit from services performed as a notary public, any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361, or any other amounts exempt from self-employment tax.

a. Enter any net farm profit or (loss) from Schedule F, line 34; and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.

2a

b. Enter any net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming)*.

+ 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. Reduce the Schedule K-1 amounts as described in the Partner's Instructions for Schedule K-1. Enter your name and social security number on Schedule SE and attach it to your return.

Part 3

Statutory Employees Filing Schedule C

3. Enter the amount from Schedule C, line 1, that you are filing as a statutory employee. 3


Part 4

All Filers Using Worksheet B

Note. If line 4b includes income on which you should

4a. Enter your earned income from Step 5. 4a

b. Combine lines 1e, 2c, 3, and 4a. **This is your total earned income.** 4b

If line 4b is zero or less,  You can't take the credit. Enter “No” on the dotted line next to Form 1040 or 1040-SR, line 18a.

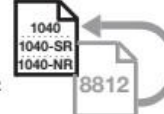
10371

SCHEDULE 8812
(Form 1040 or 1040-SR)

Additional Child Tax Credit

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Schedule8812 for instructions and the latest information.



OMB No. 1545-0074

2019

Attachment
Sequence No. **47**

Name(s) shown on return

Your social security number

Part I All Filers

Caution: If you file Form 2555, **stop here;** you cannot claim the additional child tax credit.

1	If you are required to use the worksheet in Pub. 972, enter the amount from line 10 of the Child Tax Credit and Credit for Other Dependents Worksheet in the publication. Otherwise: 1040 and 1040-SR filers: Enter the amount from line 8 of your Child Tax Credit and Credit for Other Dependents Worksheet (see the instructions for Forms 1040 and 1040-SR, line 13a). 1040-NR filers: Enter the amount from line 8 of your Child Tax Credit and Credit for Other Dependents Worksheet (see the instructions for Form 1040-NR, line 49).	1	4000
2	Enter the amount from Form 1040, line 13a; Form 1040-SR, line 13a; or Form 1040-NR, line 49	2	
3	Subtract line 2 from line 1. If zero, stop here; you cannot claim this credit	3	4000
4	Number of qualifying children under 17 with the required social security number: <u>2</u> x \$1,400. Enter the result. If zero, stop here; you cannot claim this credit	4	2800
5	Enter the smaller of line 3 or line 4	5	2800
6a	Earned income (see instructions)	6a	10371
b	Nontaxable combat pay (see instructions)	6b	
7	Is the amount on line 6a more than \$2,500? <input type="checkbox"/> No. Leave line 7 blank and enter -0- on line 8. <input checked="" type="checkbox"/> Yes. Subtract \$2,500 from the amount on line 6a. Enter the result	7	7871
8	Multiply the amount on line 7 by 15% (0.15) and enter the result Next. On line 4, is the amount \$4,200 or more? <input checked="" type="checkbox"/> No. If line 8 is zero, stop here; you cannot claim this credit. Otherwise, skip Part II and enter the smaller of line 5 or line 8 on line 15. <input type="checkbox"/> Yes. If line 8 is equal to or more than line 5, skip Part II and enter the amount from line 5 on line 15. Otherwise, go to line 9.	8	1181

Part II Certain Filers Who Have Three or More Qualifying Children

9	Withheld social security, Medicare, and Additional Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If your employer withheld or you paid Additional Medicare Tax or tier 1 RRTA taxes, see instructions	9	
10	1040 and 1040-SR filers: Enter the total of the amounts from Schedule 1 (Form 1040 or 1040-SR), line 14, and Schedule 2 (Form 1040 or 1040-SR), line 5, plus any taxes that you identified using code "IT" and entered on Schedule 2 (Form		