

Schedule IN-EIC update

Last Updated Feb. 10, 2012

Following are changes made to Indiana's Schedule IN-EIC.

- First page. Only change to first page is revision date updated from (R10 / 9-11) to (R11 / 2-12).
- Second page. Third paragraph in right-hand column changes Line A-3 instruction to:
 - Line A-3. Enter your earned income credit from Worksheet A, Part 3, line 11, or from Worksheet B, Part 7, line 16.

Name(s) shown on Form IT-40/IT-40PNR

Your Social Security Number

Section A: Figure Your Indiana Earned Income Credit

A-1 Enter the earned income credit from your federal income tax return Form 1040 line 64a, Form 1040A line 38a, or Form 1040EZ line 8a _____	A-1 <input type="text"/>	<input type="text"/>	<input type="text"/>	.00
A-2 Enter your earned income (see instructions) _____	A-2 <input type="text"/>	<input type="text"/>	<input type="text"/>	.00
A-3 Enter your Indiana earned income credit (see instructions). Carry this total to Form IT-40, Schedule 5, line 5, or Form IT-40PNR, Schedule F, line 5, Box A _____ Indiana Earned Income Credit	A-3 <input type="text"/>	<input type="text"/>	<input type="text"/>	.00

Section B: Complete if you claimed one or more children on your federal Schedule EIC. See instructions.

	Child 1		Child 2
Enter each child's information	First name <input type="text"/>	First name	<input type="text"/>
	Last name <input type="text"/>	Last name	<input type="text"/>
	Child's Social Security Number(s) <input type="text"/> <input type="text"/> <input type="text"/>		<input type="text"/> <input type="text"/> <input type="text"/>

Enter letter (e.g. **A, B, C**, etc.) in boxes below that describes each child's relationship, age and location to you.

	Child 1	Child 2
B-1 Relationship:		
A Your Child		
B Grandchild	<input type="checkbox"/>	<input type="checkbox"/>
C Stepchild		
D Foster Child (not related)		
E Other (related foster child, or other related child - see instructions)		
B-2 Age:		
A Under age 18		
B Age 18	<input type="checkbox"/>	<input type="checkbox"/>
C Age 19 - 24 and full-time student		
D Age 19 or older and totally disabled		
B-3 Location:		
A Child lived with you at least 1/2 of the year	<input type="checkbox"/>	<input type="checkbox"/>
B Child was born or died in 2011, and lived with you while alive in 2011.		

Important: You must complete and attach this schedule to your Form IT-40 or IT-40PNR when claiming the earned income credit.



Instructions for Schedule IN-EIC

The way to figure Indiana's earned income credit (EIC) has changed. Here are some important things to know:

- You must be eligible for and have claimed an EIC on your federal tax return. If not, **STOP**. You are not eligible to claim Indiana's EIC.
- Your income on Form IT-40, line 1 (or Indiana's Schedule A, line 37A), must be less than \$40,950. If it is the same amount or more, **STOP**. You are not eligible to claim Indiana's EIC.
- You must complete **Worksheet A** or **Worksheet B**, which can be found in the IT-40 or IT-40PNR instruction booklets.
- Schedule IN-EIC must be completed and enclosed by all filers claiming the EIC.
- No longer may this credit be claimed on Form IT-40EZ.
- Indiana's Publication EIC is available for additional information. It may be viewed online at www.in.gov/dor/4546.htm.

Caution: You must know what your federal earned income credit is before you can figure your Indiana EIC. If you don't know what your federal EIC is by Indiana's filing due date, go ahead and file your Indiana return without claiming the EIC. Then, when you find out what your federal EIC is, file an amended (corrected) Indiana tax return, Form IT-40X, to claim your Indiana EIC.

If, during 2011:

- you were an Indiana resident, and/or
- had income from Indiana sources, and
- you claimed the EIC on your federal income tax return (Form 1040, 1040A or 1040EZ),

then you may be eligible to claim Indiana's EIC.

STOP. You must get the 2011 IT-40 or IT-40PNR instruction booklet before you can continue. The instructions for how to figure Indiana's EIC begin on page 27 of the IT-40 instruction booklet (page 31 of the IT-40PNR instruction booklet). You may find these booklets online at www.in.gov/dor/4546.htm.

Once you get the instructions, review Step 1 through Step 7, and complete either **Worksheet A** or **Worksheet B** to figure your Indiana EIC. After you have completed the worksheet, return to these instructions and finish Schedule IN-EIC.

Caution: Schedule IN-EIC must be filed with your tax return in order for you to be eligible to claim Indiana's EIC.

Section A – Figure Your Indiana Earned Income Credit

Line A-1. Enter the amount of earned credit from your

- Federal Form 1040, line 64a, or
- Federal Form 1040A, line 38a, or
- Federal Form 1040EZ, line 8a.

Line A-2. Enter your earned income from **Worksheet A**, Part 1, line 1, or from **Worksheet B**, Part 4, line 4b.

Line A-3. Enter your earned income credit from **Worksheet A**, Part 3, line 11, or from **Worksheet B**, Part 7, line 16.

Section B – Qualifying Child (Children)

You must complete Section B if you are claiming one or two children when figuring Indiana's EIC.

First, complete Step 3 of the EIC instructions. There you'll find the descriptions of who is a qualifying child for Indiana EIC purposes.

Important: Enter information for the same child (or children) you entered on your federal Schedule EIC wherever possible.

Example. Marie has four children, three of whom she claimed for federal EIC purposes. All three children meet the requirements to be a qualified child with Indiana. Since Marie may claim up to two qualified children on this schedule, she should list two of the three she claimed for federal EIC purposes.

Example. Tim and Jane claimed their daughter and a foster child (who lived with them for six months) as qualifying children for federal EIC purposes. Since their foster child did not live with them the entire year, the child is not a qualifying child for Indiana EIC purposes. They may only claim their daughter as a qualifying child in Section B.

In **Section B-1**, the 'Foster Child (not related)' box (line D) is an unrelated child who was placed with you by an authorized placement agency and lived with you the entire year.

In **Section B-1**, the 'Other' box (line F) includes a related foster child who lived with you the entire year, or your brother, sister, stepbrother, stepsister, or a descendant of your brother and/or sister, etc. (for example, your niece or nephew), whom you cared for as your own child.

