# Schedule M1WFC, Minnesota Working Family Credit 2016

Sequence #4

| First Name and Initial | Last Name | Social Security Number |
|---|---|---|
| | | |

**Number of Qualifying Children:**  ☐ None   ☐ One   ☐ Two or More

| Child's first, middle initial, last name (If you have more than two qualifying children, list only two) | Relationship to you (for example: son, daughter, etc.) | Number of months the child lived with you in 2016 (see instructions) | Child's date of birth (mmddyyyy) | Child's Social Security number |
|---|---|---|---|---|
| | | | | |
| | | | | |

**To claim this credit, you must be:**

- **a full- or part-year resident of Minnesota, AND**
- **eligible for the federal earned income credit (EIC)**

Before you complete this schedule, you must follow the steps in the instructions for the federal return to determine if you can take the federal earned income credit and complete the appropriate federal EIC Worksheet.

**Round amounts to the nearest whole dollar.**

1 If you filed federal Form 1040, enter your total earned income from line 1 of EIC Worksheet A or line 6 of EIC Worksheet B. If you filed Form 1040A or Form 1040EZ, enter the amount from line 1 of the EIC Worksheet . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . **1** [ ]

2 Using the amount on line 1, your filing status, and the number of qualifying children, find the credit amount using the WFC Table from the M1 instruction booklet *(if result is zero, stop here; you do not qualify for this credit)* . . . . . . . . . . . . . . . . . . . . . . . . . . . . . **2** [ ]

3 Federal adjusted gross income (from line 37 of Form 1040, line 21 of Form 1040A, or line 4 of Form 1040EZ). (If a negative number, leave blank) . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . **3** [ ]

If line 3 is the same as line 1, skip line 4 and enter the amount from line 2 on line 5.

4 If you have:
- no qualifying children, is line 3 less than $8,300 ($13,840 if married filing joint)
- only one qualifying child, is line 3 less than $21,620 ($27,160 if married filing joint)
- two or more qualifying children, is line 3 less than $25,640 ($31,180 if married filing joint)
  - ☐ **Yes.** Go to line 5 below.
  - ☐ **No.** Using the amount on line 3, your filing status, and the number of qualifying children, find the credit amount using the WFC Table in the M1 instruction booklet. . . . . . . . . . . . . . . . . . . . . . . . . . . **4** [ ]

5 Working family credit amount.
- If you checked "Yes" on line 4, enter the amount from line 2.
- If you checked "No" on line 4, enter the amount from line 2 or line 4, **whichever is less** . . . . . . . . . . . . . . **5** [ ]

**Full-year residents:** Also enter this amount on line 2 of Schedule M1REF.

6 **Part-year residents:** Multiply line 5 by line 25 of Schedule M1NR. Enter the result here and on line 2 of Schedule M1REF. However, if your Minnesota gross income is less than $10,350, see instructions; enter result from step 5 of worksheet in the space below and enter step 7 on line 6 . . . . . . . . **6** [ ]

**Full-year nonresidents are no longer eligible.**

Step 5 of the worksheet: [ ] . [ ]

7 **American Indians working and living on an Indian reservation:**
Determine from the instructions on the back. Enter the result here and on line 2 of Schedule M1REF . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . **7** [ ]

**Include this schedule with your Form M1.**
**Enter the number of qualifying children in the box provided on line 2 of Schedule M1REF.**

# 2016 Schedule M1WFC Instructions

## Am I eligible?

You may be eligible for the Minnesota working family credit if both of the following are true:

- You were a full-year or part-year resident of Minnesota in 2016
- You are eligible for the federal earned income credit (EIC)

*Before you can complete Schedule M1WFC, you must:*

1. *follow the steps in the instructions for your federal return to determine if you qualify for the federal EIC*

2. *complete the appropriate federal EIC Worksheet*

### Income requirements

If you have one or two qualifying children on federal Schedule EIC, the income requirements for the Minnesota working family credit are the same as the federal earned income credit.

If you have three qualifying children on federal Schedule EIC, you qualify for the Minnesota working family credit unless your income is above the following amount based on your filing status:

| Filing Status | Income Limit |
|---|---|
| Married-joint returns | $50,100 |
| Other than married filing joint | 44,600 |

## Information on Qualifying Children

Near the top of Schedule M1WFC, check the box that indicates the total number of qualifying children. Enter the requested information for each qualifying child. If you have more than two qualifying children, list only two.

Enter the number of months the child lived with you during the year. If the child lived with you in the United States for more than half of the year but less than seven months, enter "7" in the space provided. If the child was born or died in 2016 and your home was the child's home for the entire time he or she was alive during the year, enter "12."

Enter the number of qualifying children in the space provided on Schedule M1REF, line 2.

## Penalty for Fraudulently Claiming A Refundable Credit

If you file a return that fraudulently claims a refundable credit, including the Minnesota Working Family Credit, you will be assessed a penalty. The penalty is 50 percent of the fraudulently claimed refund and is in addition to the 50 percent penalty on the understated tax.

## Line Instructions

*Round amounts to the nearest whole dollar.*

### Line 6
### Part-year residents

The credit for part-year residents is determined using the percentage of income taxable to Minnesota.

**If your gross income is below the filing requirement,** and you are filing Form M1 to claim this credit, you should have entered zero on line 23 of Schedule M1NR. To correctly determine your credit, you must:

1. Fully complete Schedule M1NR by following the line instructions

2. Use the worksheet for line 6 (below)

## Line 7
## American Indians working and living on an Indian reservation

The working family credit is based only on earned income taxable to Minnesota. Therefore, you must apportion your credit if you are a Minnesota resident, are an American Indian working and living on a reservation, and had earned income not subject to Minnesota tax.

To apportion your working family credit, follow the worksheet below to determine line 7.

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**Worksheet for Line 6 (for part-year residents whose Minnesota gross income is less than $10,350) Note: full-year nonresidents are no longer eligible for this credit and should not use this worksheet.**

1. Line 11, column B, of Schedule M1NR . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ._____
2. Line 22, column B, of Schedule M1NR . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ._____
3. Subtract step 2 from step 1. *(If result is zero or less, stop here. You do not qualify for the credit)* . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ._____
4. Line 24 of Schedule M1NR . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ._____
5. Divide step 3 by step 4 and enter the result as a decimal *(carry to five decimal places)*. If step 3 is more than step 4, enter 1.0. Also enter the result on the space provided on line 6 of Schedule M1WFC . . . . . . . . . . . . . .____.____
6. Amount from line 5 of Schedule M1WFC . . . . . . . . . . . . . . . . . . . . . . . . . . . . ._____
7. Multiply step 5 by step 6. Also enter the result on line 6 of Schedule M1WFC and on line 2 of Schedule M1REF . . . . . . . . . . . . . . . . . . ._____

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**Worksheet for Line 7**

1. Federal adjusted gross income *(from line 3 of Schedule M1WFC)* . . . . . . . . . . _____
2. Earned income that is *not* taxable to Minnesota . . . . . . . . . . . . . . . . . . . . . . . _____
3. Subtract step 2 from step 1 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . _____
4. Divide step 3 by step 1 and enter the result as a decimal *(carry to five decimal places)* . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .____.____
5. Amount from line 5 of Schedule M1WFC . . . . . . . . . . . . . . . . . . . . . . . . . . . . _____
6. Multiply step 5 by step 4. Also enter the result on line 7 of Schedule M1WFC and on line 2 of Schedule M1REF . . . . . . . . . . . . . . . . . . _____