



Department of the Treasury Internal Revenue Service

Notice 797

(Rev. December 2016)

Possible Federal Tax Refund Due to the Earned Income Credit (EIC)

What Is the EIC?

The EIC is a refundable tax credit for certain workers.

Who May Claim the EIC?

You may be able to claim the EIC for 2016 if you worked and all four of the following conditions apply.

1. You (and your spouse, if filing a joint return) have a valid social security number (SSN) issued by the Social Security Administration. For more information on valid SSNs, see Pub. 596, Earned Income Credit (EIC).

2. Your 2016 earned income and adjusted gross income are both under \$39,296 (\$44,846 if married filing jointly) if you have one qualifying child; under \$44,648 (\$50,198 if married filing jointly) if you have two qualifying children; under \$47,955 (\$53,505 if married filing jointly) if you have three or more qualifying children; or under \$14,880 (\$20,430 if married filing jointly) if you don't have a qualifying child. For a definition of earned income, see Pub. 596.

3. Your filing status on your 2016 tax return is any status except married filing a separate return.

4. You were not a qualifying child of another taxpayer in 2016.

If you **do not** have a qualifying child, you must also meet these conditions.

a. You, or your spouse if filing a joint return, were at least age 25 but under age 65 at the end of 2016. (You meet this condition if you, or your spouse if filing a joint return, were born after December 31, 1951, and before January 2, 1992.) If your spouse died in 2016, see Pub. 596.

b. You cannot be claimed as a dependent on someone else's 2016 tax return.

c. Your home, and your spouse's if filing a joint return, was in the United States for over half of 2016. If you are in the military on extended active duty outside the United States, your home is considered to be in the United States during that duty period and you may be able to claim the EIC.

You **cannot** claim the EIC if any of the following conditions apply.

1. Your 2016 investment income (such as interest and dividends) is over \$3,400. See Pub. 596 for more information.

2. You file either Form 2555 or Form 2555-EZ (relating to foreign earned income).

3. You were a nonresident alien for any part of 2016 unless you were married to a U.S. citizen or resident and elected to be taxed as a resident alien for the entire year. See Pub. 519, U.S. Tax Guide for Aliens, for more information.

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Who Is a Qualifying Child?

Any child who meets all four of the following conditions is a qualifying child.

1. The child is your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew). An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption. A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

2. At the end of 2016, the child was under age 19 and younger than you (or your spouse, if filing jointly); or under age 24, a student, and younger than you (or your spouse, if filing jointly); or any age and permanently and totally disabled.

3. The child lived with you in the United States for over half of 2016. If the child didn't live with you for the required time, there are exceptions if the child was born or died during the year, the child is presumed to have been kidnapped by someone who is not a family member, or there was a temporary absence.

4. The child does not file a joint income tax return for 2016.

There are additional rules if a child is married or is the qualifying child of more than one person. For details, see Pub. 596.

How Do You Claim the EIC?

If you are eligible, claim the EIC on your 2016 income tax return. If you have a qualifying child, you must also fill in Schedule EIC and attach it to your Form 1040 or Form 1040A.

If eligible, you can claim the EIC to get a refund even if you have no tax withheld from your pay or owe no tax. For example, if you had no tax withheld in 2016 and owe no tax but are eligible for a credit of \$800, you must file a 2016 income tax return to get the \$800 refund.

Most people qualify for free tax preparation. If you earned less than \$64,000, you can file for free online at [IRS.gov/freefile](https://www.irs.gov/freefile). In addition, IRS-certified volunteers can prepare your return for free in-person if you earned less than \$54,000 or are age 60 or older. To find locations, visit [IRS.gov/vita](https://www.irs.gov/vita) or call 1-800-906-9887.

More Information

This notice provides the basic requirements to qualify for the EIC. Refer to the instructions for Form 1040, 1040A, or 1040EZ; Pub. 596; or [IRS.gov/eitc](https://www.irs.gov/eitc) for details. You can download IRS forms and publications at [IRS.gov/forms](https://www.irs.gov/forms); and you can get printed copies mailed to you by going to [IRS.gov/orderforms](https://www.irs.gov/orderforms) or by calling 1-800-829-3676.