

# Lines 27a, 27b, and 27c— 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 don't owe any tax or didn't have any tax withheld.



*You may elect to use your 2019 earned income to figure your EIC if your 2019 earned income is more than your 2021 earned income. For details, see Pub. 596.*

*You can't use your 2020 earned income instead of your 2021 earned income. You can only use your 2019 earned income if it is more than your 2021 earned income.*

*If you make the election to use your 2019 earned income to figure your EIC, enter your 2019 earned income on line 27c.*

## 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.
- If you have at least one child who meets the conditions to be your qualifying child for purposes of claiming the EIC, complete and attach Schedule EIC, even if that child doesn't have a valid SSN. See Schedule EIC for more information, including how to complete Schedule EIC if your qualifying child doesn't have a valid SSN.

**Line 27a checkbox.** A qualified former foster youth must consent for entities who administer a plan under part B or part E of title IV of the Social Security Act to disclose information related to their status as a qualified former foster youth. This consent is given by checking the box on line 27a. Qualified homeless youth are required to certify that they are unaccompanied, homeless or at risk of homelessness, and self-supporting by checking the box on line 27a.

For help in determining if you are eligible for the EIC, go to [IRS.gov/EITC](https://www.irs.gov/EITC) and click on "EITC Qualification Assistant." This service is available in English and Spanish.

*If you take the EIC even though you aren't eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you won't 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 won't be allowed to take the credit for 10 years. See Form 8862, who must file, later. You may also have to pay penalties.*



*Refunds for returns claiming the earned income credit can't be issued before mid-February 2022. This delay applies to the entire refund, not just the portion associated with the earned income credit.*

## Step 1 All Filers

1. If, in 2021:
- 3 or more children who have valid SSNs lived with you, is the amount on Form 1040 or 1040-SR, line 11, less than \$51,464 (\$57,414 if married filing jointly)?
  - 2 children who have valid SSNs lived with you, is the amount on Form 1040 or 1040-SR, line 11, less than \$47,915 (\$53,865 if married filing jointly)?
  - 1 child who has a valid SSN lived with you, is the amount on Form 1040 or 1040-SR, line 11, less than \$42,158 (\$48,108 if married filing jointly)?
  - No children who have valid SSNs lived with you, is the amount on Form 1040 or 1040-SR, line 11, less than \$21,430 (\$27,380 if married filing jointly)?

☒ **Yes.** Continue

☐ **No.**

You can't take the credit.

2. Do you, and your spouse if filing a joint return, have a social security number issued on or before the due date of your 2021 return (including extensions) that allows you to work and is valid for EIC purposes (explained later under *Definitions and Special Rules*)?

☒ **Yes.** Continue

☐ **No.**

You can't take the credit. Enter "No" on the dotted line next to line 27a.

3. Are you filing Form 2555 (relating to foreign earned income)?

☐ **Yes.**

☒ **No.** Continue

You can't take the credit.

4. Were you or your spouse a nonresident alien for any part of 2021?

☐ **Yes.** See *Nonresident aliens*, later, under *Definitions and Special Rules*. ☒ **No.** Go to Step 2.


## Step 2 Investment Income


1. Add the amounts from Form 1040 or 1040-SR:

Line 2a		_____
Line 2b	+	_____
Line 3b	+	_____
Line 7*	+	_____

**Investment Income** =

\*If line 7 is a loss, enter -0-.

2. Is your investment income more than \$10,000?
- ☐ **Yes.** Continue  ☒ **No.** Skip question 3; go to question 4.

3. Are you filing Form 4797 (relating to sales of business property)?
- ☐ **Yes.** See *Form 4797 filers*, later, under *Definitions and Special Rules*. ☐ **No.**  You can't take the credit.

4. Do any of the following apply for 2021?
- You are filing Schedule E.
  - You are reporting income from the rental of personal property not used in a trade or business.
  - You are filing Form 8814 (relating to election to report child's interest and dividends on your return).
  - You have income or loss from a passive activity.
- ☐ **Yes.** Use Worksheet 1 in Pub. 596 to see if you can take the credit. ☒ **No.** Go to Step 3.

### Step 3 Qualifying Child

A qualifying child for the EIC is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was ...

Under age 19 at the end of 2021 and younger than you (or your spouse if filing jointly)

or

Under age 24 at the end of 2021, a student (defined later), and younger than you (or your spouse if filing jointly)

or

Any age and permanently and totally disabled (defined later)

AND

Who isn't filing a joint return for 2021 or is filing a joint return for 2021 only to claim a refund of withheld income tax or estimated tax paid (see Pub. 596 for examples)

AND

Who lived with you in the United States for more than half of 2021.


*You can't take the credit for a child who didn't live with you for more than half the year, even if you paid most of the child's living expenses. The IRS may ask you for documents to show you lived with each qualifying child. Documents you might want to keep for this purpose include school and child care records and other records that show your child's address.*




*If the child didn't live with you for more than half of 2021 because of a temporary absence, birth, death, or kidnapping, see Exception to time lived with you, later.*

*If the child meets the conditions to be a qualifying child of any other person (other than your spouse, if filing a joint return) for 2021, see Qualifying child of more than one person, later. If the child was married, see Married child, later.*

1. Do you have at least one child who meets the conditions to be your qualifying child for the purpose of claiming the EIC?

☐ **Yes.** Continue  ☒ **No.** Skip questions 2 through 6; go to Step 4.

2. Are you filing a joint return for 2021?

☐ **Yes.** Skip questions 3 through 6 and Step 4; go to Step 5. ☐ **No.** Continue 


3. Are you a married taxpayer whose filing status is married filing separately or head of household?

☐ **Yes.** Continue  ☐ **No.** Skip questions 4 and 5; go to question 6.


4. Did you and your spouse have the same principal residence for the last 6 months of 2021?

☐ **Yes.** Continue  ☐ **No.** Skip question 5; go to question 6.

5. Are you legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you lived apart from your spouse at the end of 2021?

☐ **Yes.** Continue  ☐ **No.**  You can't take the credit.

6. Could you be a qualifying child of another person for 2021? (Check "No" if the other person isn't required to file, and isn't filing, a 2021 tax return or is filing a 2021 return only to claim a refund of withheld income tax or estimated tax paid (see Pub. 596 for examples).)

☐ **Yes.**  ☐ **No.** Skip Step 4; go to Step 5.

You can't take the credit. Enter "No" on the dotted line next to line 27a.

## Step 4 Filers Without a Qualifying Child

1. Are you a married taxpayer whose filing status is married filing separately or head of household?

☐ **Yes.** 

You can't take the credit.

☒ **No.** Continue 

2. Were you, or your spouse if filing a joint return, at least age 24 at the end of 2021? You, or your spouse if filing a joint return, were at least age 24 at the end of 2021 if you, or your spouse if filing a joint return, were born before January 2, 1998. If your spouse died in 2021 or you are preparing a return for someone who died in 2021, see Pub. 596 before you answer.

☒ **Yes.** Skip questions 3, 4, and 5; go to question 6.

☐ **No.** Continue 

3. Were you, or your spouse if filing a joint return, at least age 19 at the end of 2021 and **not** a specified student in 2021? See *Specified student*, later, before you answer. You, or your spouse if filing a joint return, were at least age 19 at the end of 2021 if you, or your spouse if filing a joint return, were born before January 2, 2003. If your spouse died in 2021 or you are preparing a return for someone who died in 2021, see Pub. 596 before you answer.

☐ **Yes.** Skip questions 4 and 5; go to question 6.

☐ **No.** Continue 

4. Were you, or your spouse if filing a joint return, a qualified former foster youth or a qualified homeless youth and at least age 18 at the end of 2021? See *Qualified former foster youth* and *Qualified homeless youth*, later, before you answer. You, or your spouse if filing a joint return, were at least age 18 at the end of 2021 if you, or your spouse if filing a joint return, were born before January 2, 2004. If your spouse died in 2021 or you are preparing a return for someone who died in 2021, see Pub. 596 before you answer.

☐ **Yes.** Continue 

☐ **No.**   
You can't take the credit.

5. A qualified former foster youth must consent for entities who administer a plan under part B or part E of title IV of the Social Security Act to disclose information related to their status as a qualified former foster youth. This consent is given by checking the box on line 27a. Qualified homeless youth are required to certify that they are unaccompanied, homeless or at risk of homelessness, and self-supporting by checking the box on line 27a. Did you check the box on line 27a?

☐ **Yes.** Continue 

☐ **No.**   
You can't take the credit.

6. Was your main home, and your spouse's if filing a joint return, in the United States for more than half of 2021?

Members of the military stationed outside the United States, see *Members of the military*, later, before you answer.

☒ **Yes.** Continue 

☐ **No.** 

You can't take the credit. Enter "No" on the dotted line next to line 27a.

7. Are you filing a joint return for 2021?

☐ **Yes.** Skip questions 8 and 9; go to Step 5.

☒ **No.** Continue 

8. Could you be a qualifying child of another person for 2021? (Check "No" if the other person isn't required to file, and isn't filing, a 2021 tax return or is filing a 2021 return only to claim a refund of withheld income tax or estimated tax paid (see Pub. 596 for examples).)

☐ **Yes.** 

You can't take the credit. Enter "No" on the dotted line next to line 27a.

☒ **No.** Continue 

9. Can you be claimed as a dependent on someone else's 2021 tax return?

☐ **Yes.** 

You can't take the credit.

☒ **No.** Go to Step 5.

## Step 5 Earned Income

1. Are you filing Schedule SE because you were a member of the clergy or you had church employee income of \$108.28 or more?

☐ **Yes.** See *Clergy or Church employees*, whichever applies.

☒ **No.** Complete the following worksheet.

- Enter the amount from Form 1040 or 1040-SR, line 1 ..... 1. \_\_\_\_\_
- Enter any amount included on Form 1040 or 1040-SR, line 1, that is a taxable scholarship or fellowship grant not reported on a Form W-2 ..... 2. \_\_\_\_\_
- Enter any amount included on Form 1040 or 1040-SR, line 1, that you received for work performed while an inmate in a penal institution. (Enter "PRI" and the same amount on the dotted line next to Form 1040 or 1040-SR, line 1.) ..... 3. \_\_\_\_\_
- Enter any amount included on Form 1040 or 1040-SR, line 1, that you received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. (Enter "DFC" and the same amount on the dotted line next to Form 1040 or 1040-SR, line 1.) This amount may be shown in box 11 of Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received ..... 4. \_\_\_\_\_

5. Enter any amount included on Form 1040 or 1040-SR, line 1, that is a Medicaid waiver payment you exclude from income (see the instructions for Schedule 1, line 8z), unless you choose to include this amount in earned income, in which case enter -0- . . . . . 5. \_\_\_\_\_
6. Add lines 2, 3, 4, and 5 . . . . . 6. \_\_\_\_\_
7. Subtract line 6 from line 1 . . . . . 7. \_\_\_\_\_
8. Enter all of your nontaxable combat pay if you elect to include it in earned income. Also enter the amount of your nontaxable combat pay on line 27b of Form 1040 or 1040-SR. See *Combat pay*, nontaxable, later . . . . . 8. \_\_\_\_\_

*Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.*

9. Add lines 7 and 8.  
**This is your earned income\*** . . . . . 9. 8,000


\*You may elect to use your 2019 earned income to figure your EIC if your 2019 earned income is more than your 2021 earned income. For details, see Pub. 596. If you make this election, skip question 2 and go to question 3.

*Electing to use your 2019 earned income may increase or decrease your EIC. Figure the credit using your 2021 earned income. Then, figure the credit using your 2019 earned income. Compare the amounts before making the election.*

*You can't use your 2020 earned income instead of your 2021 earned income. You can only use your 2019 earned income if it is more than your 2021 earned income. If you make the election to use your 2019 earned income to figure your EIC, enter your 2019 earned income on line 27c.*

*If you are using your 2019 earned income to figure your 2021 EIC and you elected to include nontaxable combat pay, be sure to use 2019 nontaxable combat pay and enter that amount on line 27b.*

2. Were you self-employed at any time in 2021, or are you filing Schedule SE because you were a member of the clergy or you had church employee income, or are you filing Schedule C as a statutory employee?

☐ **Yes.** Skip question 3 and Step 6; go to Worksheet B. ☐ **No.** Continue 

3. If you have:
- 3 or more qualifying children who have valid SSNs, is your earned income less than \$51,464 (\$57,414 if married filing jointly)?
  - 2 qualifying children who have valid SSNs, is your earned income less than \$47,915 (\$53,865 if married filing jointly)?
  - 1 qualifying child who has a valid SSN, is your earned income less than \$42,158 (\$48,108 if married filing jointly)?

- No qualifying children who have valid SSNs, is your earned income less than \$21,430 (\$27,380 if married filing jointly)?

☒ **Yes.** Go to Step 6.

☐ **No.** 

You can't take the credit.

## Step 6 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

☐ **Yes.** See *Credit figured by the IRS*, later. ☒ **No.** Go to Worksheet A.

## Definitions and Special Rules

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.



**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	8,000.
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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 qualifying children you have who have a valid SSN as defined earlier. Enter the credit here.

2	1,228.
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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 27a.

3. Enter the amount from Form 1040 or 1040-SR, line 11.

3	1,000.
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4. Are the amounts on lines 3 and 1 the same?

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

☒ **No.** Go to line 5.

**Part 2****Filers Who Answered “No” on Line 4**

5. If you have:

- No qualifying children who have a valid SSN, is the amount on line 3 less than \$11,650 (\$17,600 if married filing jointly)?
- 1 or more qualifying children who have a valid SSN, is the amount on line 3 less than \$19,550 (\$25,500 if married filing jointly)?

☒ **Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.

☐ **No.** Look up the amount on line 3 in the EIC Table to find the credit. Be sure you use the correct column for your filing status and the number of qualifying children you have who have a valid SSN. Enter the credit here.  
Look at the amounts on lines 5 and 2.  
Then, enter the **smaller** amount on line 6.

5	
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**Part 3****Your Earned Income Credit**

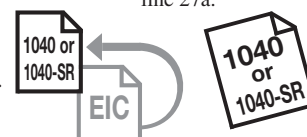
6. This is your earned income credit.

6	1,228.
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Enter this amount on  
Form 1040 or 1040-SR,  
line 27a.

**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.





If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, who must file, *earlier*, to find out if you must file Form 8862 to take the credit for 2021.




## Recovery Rebate Credit Worksheet—Line 30

**Before you begin:** ✓ See the instructions for line 30 to find out if you can take this credit and for definitions and other information needed to fill out this worksheet.  
 ✓ If you received Notice 1444-C, have it available.

Don't include on line 13 any amount you received but later returned to the IRS.  
 If you can't take the recovery rebate credit, you don't have to repay any amount of EIP 3 on Form 1040 or 1040-SR.

1. Can you be claimed as a dependent on another person's 2021 return? If filing a joint return, go to line 2.  
☒ **No.** Go to line 2.  
☐ **Yes.**  You can't take the credit. Don't complete the rest of this worksheet and don't enter any amount on line 30.
2. Does your 2021 return include a social security number that was issued on or before the due date of your 2021 return (including extensions) for you and, if filing a joint return, your spouse?  
☒ **Yes.** Go to line 6.  
☐ **No.** If you are filing a joint return, go to line 3.  
 If you aren't filing a joint return, go to line 5.
3. Was at least one of you a member of the U.S. Armed Forces at any time during 2021, and does at least one of you have a social security number that was issued on or before the due date of your 2021 return (including extensions)?  
☐ **Yes.** Your credit is not limited. Go to line 6.  
☐ **No.** Go to line 4.
4. Does one of you have a social security number that was issued on or before the due date of your 2021 return (including extensions)?  
☐ **Yes.** Your credit is limited. Go to line 6.  
☐ **No.** Go to line 5.
5. Do you have any dependents listed in the *Dependents* section on page 1 of Form 1040 or 1040-SR for whom you entered a social security number that was issued on or before the due date of your 2021 return (including extensions) or an adoption taxpayer identification number?  
☐ **Yes.** Enter zero on line 6 and go to line 7.  
☐ **No.**  You can't take the credit. Don't complete the rest of this worksheet and don't enter any amount on line 30.
6. Enter:  
  - \$1,400 if single, head of household, married filing separately, or qualifying widow(er),
  - \$1,400 if married filing jointly and you answered "Yes" to question 4, or
  - \$2,800 if married filing jointly and you answered "Yes" to question 2 or 3

6. 1,400
7. Multiply \$1,400 by the number of dependents listed in the *Dependents* section on page 1 of Form 1040 or 1040-SR for whom you entered a social security number that was issued on or before the due date of your 2021 return (including extensions) or an adoption taxpayer identification number
8. Add lines 6 and 7
9. Is the amount on line 11 of Form 1040 or 1040-SR more than the amount shown below for your filing status?  
  - Single or Married filing separately—\$75,000
  - Married filing jointly or qualifying widow(er)—\$150,000
  - Head of household—\$112,500☐ **Yes.** Enter the amount from line 11 of Form 1040 or 1040-SR and go to line 10
- ☒ **No.** Enter the amount from line 8 on line 12 and skip lines 10 and 11.
10. Is line 9 more than the amount shown below for your filing status?  
  - Single or married filing separately—\$80,000
  - Married filing jointly or qualifying widow(er)—\$160,000
  - Head of household—\$120,000☐ **Yes.**  You can't take the credit. Don't complete the rest of this worksheet and don't enter any amount on line 30.
- ☐ **No.** Subtract line 9 from the amount shown above for your filing status.
11. Divide line 10 by the amount shown below for your filing status. Enter the result as a decimal (rounded to at least 2 places).  
  - Single or married filing separately—\$5,000
  - Married filing jointly or qualifying widow(er)—\$10,000
  - Head of household—\$7,500

11. \_\_\_\_\_
12. Multiply line 8 by line 11
13. Enter the amount, if any, of EIP 3 that was issued to you. If filing a joint return, include the amount, if any, of your spouse's EIP 3. You may refer to Notice 1444-C or your tax account information at [IRS.gov/Account](https://www.irs.gov/Account) for the amount to enter here
14. **Recovery rebate credit.** Subtract line 13 from line 12. If zero or less, enter -0-. If line 13 is more than line 12, you don't have to pay back the difference. Enter the result here and, if more than zero, on line 30 of Form 1040 or 1040-SR