

Form 8863 American Opportunity Credit Worksheets

Credit Limit Worksheet	
Complete this worksheet to figure the amount to enter on line 19.	
1. Enter the amount from Form 8863, line 18	1. <u>350</u>
2. Enter the amount from Form 8863, line 9	2. <u> </u>
3. Add lines 1 and 2	3. <u>350</u>
4. Enter the amount from: Form 1040 or 1040-SR, line 18	4. <u> </u>
5. Enter the total of your credits from: Schedule 3 (Form 1040), lines 1, 2, 6d and 6l 	5. <u> </u>
6. Subtract line 5 from line 4	6. <u> </u>
7. Enter the smaller of line 3 or line 6 here and on Form 8863, line 19	7. <u> </u>

Line 27— 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.

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 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.

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





If you take the EIC even though you aren't eligible and 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 2024. This delay applies to the entire refund, not just the portion associated with the earned income credit.

Step 1 All Filers

1. If, in 2023:
 - 3 or more children who have valid SSNs lived with you, is the amount on Form 1040 or 1040-SR, line 11, less than \$56,838 (\$63,398 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 \$52,918 (\$59,478 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 \$46,560 (\$53,120 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 \$17,640 (\$24,210 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 2023 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 27.

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

☐ **Yes.** 

☒ **No.** 

You can't take the credit.

4. Were you or your spouse a nonresident alien for any part of 2023?

☒ **Yes.**

☐ **No.** Go to Step 2.

aliens, later, under Definitions and Special Rules.

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 \$11,000?

☐ **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

☐ **No.** 

filers, later, under Definitions and Special Rules.

You can't take the credit.

4. Do any of the following apply for 2023?

- 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 2023 and younger than you
(or your spouse if filing jointly)

or

Under age 24 at the end of 2023, 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 2023
or is filing a joint return for 2023 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 2023.



CAUTION 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.



TIP If the child didn't live with you for more than half of 2023 because of a temporary absence, birth, death, or kidnapping, see Exception to time lived with you, later.




CAUTION 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 2023, 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 2023?

☐ **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 2023?

☐ **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 2023?



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

6. Could you be a qualifying child of another person for 2023? (Check "No" if the other person isn't required to file, and isn't filing, a 2023 tax return or is filing a 2023 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 27. ☐ **No.** Skip Step 4; go to Step 5.

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 25 but under age 65 at the end of 2023? (Check "Yes" if you, or your spouse if filing a joint return, were born after December 31, 1958, and before January 2, 1999.) If your spouse died in 2023 or if you are preparing a return for someone who died in 2023, see Pub. 596 before you answer.

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

3. Was your main home, and your spouse's if filing a joint return, in the United States for more than half of 2023? 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 27.

4. Are you filing a joint return for 2023?

- ☐ **Yes.** Skip questions 5 and 6; go to Step 5. ☐ **No.** Continue

5. Could you be a qualifying child of another person for 2023? (Check "No" if the other person isn't required to file, and isn't filing a 2023 tax return or is filing a 2023 return only to claim a refund of withheld income tax or estimated tax paid (see Pub. 596 for examples).)

- ☐ **Yes.** ☐ **No.** Continue

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

6. Can you be claimed as a dependent on someone else's 2023 tax return? (If the person who could claim you on their 2023 tax return is not required to file, and isn't filing a 2023 tax return or is filing a 2023 return only to claim a refund of withheld income tax or estimated tax paid, check "No.")

- ☐ **Yes.** ☐ **No.** Go to Step 5.

You can't take the credit.

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.

1. Enter the amount from Form 1040 or 1040-SR, line 1z 1.

2. Enter the Medicaid waiver payment amounts excluded from income on Schedule 1 (Form 1040), line 8s, unless you choose to include these amounts in earned income, in which case enter -0-. See the instructions for Schedule 1, line 8s. 2.



If you and your spouse both received Medicaid waiver payments during the year, you and your spouse can make different choices about including the full amount of your payments in earned income. Enter only the amount of Medicaid waiver payments that you or your spouse, if filing a joint return, do not want to include in earned income. To include all nontaxable Medicaid waiver payment amounts in earned income, enter -0-.

3. Subtract line 2 from line 1 3.

4. 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 1i of Form 1040 or 1040-SR. See *Combat pay, nontaxable*, later. 4.



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.

5. Add lines 3 and 4.

This is your earned income

5.

2. Were you self-employed at any time in 2023, 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 \$56,838 (\$63,398 if married filing jointly)?
- 2 qualifying children who have valid SSNs, is your earned income less than \$52,918 (\$59,478 if married filing jointly)?
- income less than \$46,560 (\$53,120 if married filing jointly)?
- No qualifying children who have valid SSNs, is your earned income less than \$17,640 (\$24,210 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.