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Publication EIC

Indiana Earned Income Credit

This booklet is for use in preparing the Earned Income Credit section of Indiana individual returns for tax year 2022.

DISCLAIMER. This publication is intended to provide nontechnical assistance to the general public. Every attempt has been made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is inconsistent with current law, regulations, or court decisions is not binding on either the Department or the taxpayer. Therefore, information provided in this publication should serve only as a foundation for further investigation and study of the current law and procedures related to its subject matter.

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Introduction

What is the Earned Income Credit?

The earned income credit (EIC) is a tax credit for certain people who work and have earned income under \$49,399. A tax credit usually means more money in your pocket because it reduces the amount of tax you owe. The EIC may also give you a refund, even if you don't owe any tax.

Can I Claim Indiana's EIC?

To claim Indiana's EIC, you must meet certain rules. These rules are summarized in Table 1.

Table 1. Indiana Earned Income Credit in a Nutshell

First, you must meet all the rules in this column.	Second, you must meet all the rules in this column if claiming a child.	Third, you must meet the rules in this column.
Rules for everyone	Rules if you have a qualifying child	Figuring and claiming the EIC
<ol style="list-style-type: none"> 1. You must have a valid federal earned income credit. 2. Your federal AGI, earned income for 2022 (do not use prior-year earned income), AND modified AGI each must be less than: <ul style="list-style-type: none"> • \$49,399 if you have two or more qualifying children. • \$43,450 if you have one qualifying child. • \$16,400 if you do not have a qualifying child. 	<ol style="list-style-type: none"> 3. Your child must meet the federal EIC qualifying child age, residency, joint return and relationship tests. 4. Your child must meet two additional relationship tests (which may supersede certain federal relationship tests). 	<ol style="list-style-type: none"> 5. Your federal EIC must be reduced by 10% (.10) of any alternative minimum tax (AMT). 6. Your Indiana EIC cannot be greater than 10% of your federal EIC (including reduction by federal AMT).

This publication contains:

- Instructions to figure Indiana's EIC
- Rules to determine if you have a qualifying child for Indiana EIC purposes
- Worksheet A
- Worksheet B
- Worksheet 1: Investment Income
- Worksheet 2: Worksheet For Line 4 of Worksheet 1
- Worksheet 3: Modified AGI
- Definitions

Do I Need This Publication?

If you were sent here from the Line 5 EIC instructions found in the [IT-40/IT-40PNR](#) instruction booklets:

- Complete Worksheet A
- Complete Worksheet B if:
 - o You were self employed at any time during the tax year, or
 - o You filed Schedule SE because you were a member of the clergy or you had church employee income, or
 - o You filed Schedule C as a statutory employee.
- Complete Worksheet 1 if:
 - o Your investment income is more than \$3,800,
 - o You filed federal Form 4797 (Sale of Business property), and
- Complete Worksheet 2 if federal Form 8814 includes an Alaska Permanent Fund dividend.
- Complete Worksheet 3 if any of the following apply for the tax year:
 - o You filed federal Schedule E.
 - o You are claiming a loss on federal Form 1040/1040-SR, line 7, and/or Schedule 1, line 3 and/or line 6.
 - o You are reporting income or a loss from the rental of personal property not used in a trade or business.
 - o You and/or spouse if married filing jointly received a distribution from a pension, annuity, IRA or Coverdell ESA that is not fully taxable.
 - o You reported income on federal Form 1040/1040-SR, Schedule 1, line 8, from federal Form 8814 (relating to election to report child's interest and dividends).

Chapter 1. How to figure Indiana's EIC

To figure the EIC:

- Follow the steps below.
- Complete the worksheet(s) that apply to you.
- Complete and enclose Schedule IN-EIC.

Step 1 All Filers

1. Did you claim an EIC on your 2022 federal tax return Form 1040/1040-SR, line 27?

Yes. Continue.

No. STOP. You cannot take the credit.

2. If, in 2022:

- 2 or more children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 36A), less than \$49,399?
- 1 child lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 36A), less than \$43,450?
- No children lived with you, is the amount on Form IT-40, line 1 (Indiana's Schedule A, line 36A), less than \$16,400?

Yes. Continue.

No. STOP. You cannot take the credit.

3. Are you filing your return for Indiana either as a single individual or married filing jointly?

Yes. Continue.

No. STOP. You cannot take the credit.

Step 2 Investment Income

1. Add amounts from:

Federal Form 1040/1040-SR, Line 2a	+ _____
Federal Form 1040/1040-SR, Line 2b	+ _____
Federal Form 1040/1040-SR, Line 3b	+ _____
Federal Form 1040/1040-SR, Line 7*	+ _____

Investment Income = _____

* If Line 7 is a loss, enter -0-.

2. Is your investment income more than \$3,800?

Yes. Continue.

No. Skip question 3; go to question 4.

3. Did you file federal Form 4797 (relating to sales of business property)?

No. STOP. You cannot take the credit.

Yes. If the amount on Form 1040/1040-SR, line 8, includes an amount from federal Form 4797, you must use **Worksheet 1** on page 15 to see if you can take the EIC. Otherwise, **STOP**; you cannot take the EIC.

4. Do any of the following apply for 2022?

- You filed federal Schedule E.
- You are claiming a loss on federal Form 1040/1040-SR, line 7, and/or federal Schedule 1, lines 3 and/or 6.
- You are reporting income or a loss from the rental of personal property not used in a trade or business.
- You and/or spouse if married filing jointly received a distribution from a pension, annuity, IRA or Coverdell ESA that is not fully taxable.
- You reported income on federal Schedule 1, line 8, from federal Form 8814 (relating to election to report child's interest and dividends).

Yes. You must use **Worksheet 3** on page 17 to see if you can take the credit.

No. Go to Step 3.

Step 3 Qualifying Child

1. Did a child live with you in 2022?

No. Go to Step 4.

Yes. Continue.

A qualifying child is a child who is your...

- Son
- Daughter
- Grandchild
- Stepchild
- Foster child and/or related child (see page 24)

AND, was...

- Under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), or
- Under age 24 at the end of the year, a student (see page 25), and younger than you (or your spouse, if filing jointly), or
- Any age and permanently and completely disabled (see page 25),

AND, who...

Is not filing a joint return for the year, or is filing a joint return for the year only as a claim for refund,

AND, who...

Lived with you in the United States for more than half of the year or, if a foster child, for all of the year. If the child did not live with you for the required time, see *Exception to "time lived with you"* on page 24.

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 the year, or the child was married, see page 25.

2. Do you have at least one child who meets the conditions to be your qualifying child?

Yes. The child must have a valid nine-digit Social Security number (SSN) unless the child was born and died during the year*. If at least one qualifying child has a SSN (or was born and died during the year), go to Step 5. **If no qualifying child has a SSN and no qualifying child meets the exception for children who were born and died during the year, STOP. You cannot take the credit.**

No. Continue to Step 4.

***Exception.** If your qualified dependent child was born and died during the year and you do not have a SSN for the child, you may be able to claim the child for earned income credit purposes (see *Social Security Number* on page 25).

Step 4 Filers Without a Qualifying Child

1. Are you:

- older than 24 and
- younger than 65?

Yes. Continue.

No. STOP. You cannot take the credit.

2. If you have no qualifying child (see Step 3) but you claimed an EIC on your federal tax return Form 1040/1040-SR, line 27, then you may be eligible to claim Indiana's EIC. Continue to Step 5.

Step 5 Modified Adjusted Gross Income (AGI)

3. Add amounts from:

Federal Form 1040/1040-SR, line 2a + _____
Federal Form 1040/1040-SR, line 11 + _____

Modified Adjusted Gross Income* =

Box A	
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***Note.** If you completed **Worksheet 3** on page 17, enter in Box A the amount from **Worksheet 3**, line 17.

If you have:

- Two or more qualifying children, is Box A less than \$ 49,399?
- One qualifying child, is Box A less than \$43,450?
- No qualifying children, is Box A less than \$16,400?

Yes. Go to Step 6.

No. STOP. You cannot take the credit.

Step 6 Earned Income

1. Did you file federal Schedule SE because you are a member of the clergy or you had church employee income of \$108.28 or more?

Yes. See **Clergy** or **Church employees**, whichever applies, in the next column.

No. *Continue.*

2. Figure earned income:

A. Enter amount from federal 1040/1040-SR, line 1 _____

B. Subtract, if included on line A above, any: _____

- Taxable scholarship or fellowship grant not reported on a Form W-2. _____
- Amount received for work performed while an inmate in a penal institution. _____
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan. 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 as a pension or annuity. _____
- Amount of the qualified foster care payments included in Box 1 of Form W-2 that you have elected to exclude from your federal adjusted gross income. - _____

C. Add all of your nontaxable combat pay if you elect to include it in earned income.* + _____

Earned Income =

Box B	
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***Caution.** 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.

3. Were you self-employed at any time in 2022, or did you file federal Schedule SE because you were a member of the clergy or you had church employee income, or did you file federal Schedule C as a statutory employee?

Yes. Skip question 4 and Step 7; go to **Worksheet B** on page 13.

No. *Continue.*

4. If you have:

- Two or more qualifying children, is your total earned income (Box B) less than \$49,399?
- One qualifying child, is your total earned income (Box B) less than \$43,450?
- No qualifying children, is your total earned income (Box B) less than \$16,400?

Yes. Go to Step 7.

No. STOP. You cannot take the credit.

Step 7 How to Figure the Credit

Go to **Worksheet A** on page 12.

Chapter 2. Rules If You Have a Qualifying Child

Your child is a qualifying child if your child meets four tests. The four tests are:

1. Age,
2. Residency,
3. Joint return, and
4. Relationship.

The first two requirements (age and residency) are identical to the requirements used for federal EIC qualifying child determination purposes. For Indiana purposes, a married couple (as defined in IRC § 7703) must file a joint federal return to claim the Indiana EIC. A married couple filing separately is not permitted to claim an Indiana EIC even if the couple is permitted a federal EIC.

NOTE. If you:

- have at least one child that meets the definition of a qualifying child;
 - have no qualifying child with a Social Security Number; and
 - you do not have a child who was born and died during the year,
- you will not be considered an individual with no qualifying children for Indiana EIC purposes and you are not eligible to claim a credit based on having a qualifying child. You cannot claim the Indiana EIC.

As a rule, for Indiana EIC purposes, you will be able to claim as a qualifying dependent a child who meets the age, residency, joint federal return, and relationship EIC tests for federal EIC purposes as long as the child also meets the Indiana relationship tests.

How to determine if you have a qualifying child for Indiana EIC purposes

First, review the age, residency, joint federal return and relationship requirements for federal EIC purposes in either:

- the federal tax instruction booklet for federal [Form 1040/1040-SR](#), or
- as found in the federal [Publication 596](#).

If your child does not meet all of these requirements, **STOP**. You cannot claim this child as a qualifying child for Indiana EIC purposes.

If your child meets these requirements, continue.

Additional Indiana Relationship Tests

In general, most qualifying child relationship requirements for Indiana EIC purposes match the federal EIC relationship requirements. However, there are two differences. Read the following carefully to see if your child qualifies for Indiana.

Difference 1. Indiana foster child definition.

The following Indiana definition is different than the federal foster child definition, so please read it carefully.

- Any child you cared for as your own child and who is (a) your brother, sister, stepbrother, or stepsister; (b) a descendant (such as a child, including an adopted child) of your brother, sister, step-brother, or stepsister; or (c) a child placed with you by an authorized placement agency. For example, if you acted as the parent of your niece or nephew, this child is considered your foster child.

AND

- The qualifying foster child must live with you for the entire year (except for temporary absences).

Example 1. Your 12 year-old brother lived with you the entire year. If you are eligible to claim him as a qualifying child for federal EIC purposes, then you are eligible to claim him for Indiana EIC purposes.

Example 2. The facts are the same as in *Example 1*, but your brother lived with you for seven months during the year. Even though you may be eligible to claim him as a qualifying child for federal EIC purposes, you are not eligible to claim him for Indiana EIC purposes as he did not live with you the entire year.

Difference 2. Qualifying child of more than one person.

Sometimes a child meets the tests to be a qualifying child of more than one person. However, only one person can claim the EIC using that child. The paragraphs that follow will help you decide who can claim Indiana's EIC when more than one person has the same qualifying child.

Tiebreaker Rules. The following tiebreaker rules do not apply if the other person is your spouse and you file a joint return.

Important. For Indiana EIC purposes, your qualifying child cannot be the qualifying child of another person who has a higher modified AGI.

Which person can claim the EIC. If you and someone else have the same qualifying child, the person with the higher modified adjusted gross income (AGI) is the only one who may be able to claim Indiana's EIC using that child. The person with the lower modified AGI cannot use that child to claim the EIC. This is true even if the person with the higher modified AGI does not claim the EIC or meet all of the rules to claim the EIC. If the other person is your spouse and you file a joint return, this rule does not apply. If three or more persons have the same qualifying child, the person with the highest modified AGI is the only one who may be able to claim the EIC using that child.

Note. For most people modified AGI is the same as federal AGI (federal Form 1040/1040-SR, line 11). Modified AGI is explained in detail in Chapter 3. If your qualifying child meets the tests to be a qualifying child of both you and any other person and you have the higher modified AGI, you meet this rule. If you do not have the higher modified AGI, you cannot claim the qualifying child for Indiana EIC purposes.

Examples. The following examples may help you in determining whether you can claim Indiana's EIC when you and someone else have the same qualifying child.

Example 1. You and your child lived with your parent.

You and your son lived with your mother all year. You are 25 years old. Your only income was \$9,300 from a part-time job. Your mother's only income was \$15,000 from her job. Initially, your son is a qualifying child of both you and your mother because he meets the age, joint federal return and residency tests for both you and your mother. However, because you both have the same qualifying child, only one of you can claim the child for Indiana EIC purposes. Because your mother's modified AGI (\$15,000) is more than your modified AGI (\$9,300), only your mother may be able to claim your son as a qualifying child for the Indiana EIC.

Example 2. The facts are the same as in *Example 1*, but your mother also had investment income of \$3,900. Your mother cannot claim the EIC because her investment income is more than \$3,800. Even though your mother cannot claim the EIC, you cannot claim your son as a qualifying child for Indiana EIC purposes because your mother's modified AGI is more than yours.

Examples 3 – 5. You and your child lived with another relative.

Example 3. You and your sister shared a household for the entire year. You have three young children who lived in the household. Your sister does not have any children; however, she cares for your children as if they were her own. Your earned income is \$15,000; your sister's earned income is \$20,000. Neither of you had any other income. The children meet the age and residency tests for both you and your sister. They meet the relationship test for you because they are your children. They also meet the relationship test for your sister because they lived with her the whole year, she cared for them as if they were her own, and they are her sister's children. Therefore, they qualify as her eligible foster children. Your children are qualifying children of both you and your sister. However, because your sister's modified AGI is higher than yours, she is the only one who may claim them for Indiana EIC purposes.

Important. You and your sister cannot split the three qualifying children between you. You cannot claim the EIC even though your sister enters the names of only two of the children on her Schedule EIC. (Schedule IN-EIC has spaces for the names of only two qualifying children because the EIC is the same amount for two or more qualifying children.)

Example 4. You, your spouse, and your 10-year-old son lived together until July 15 of the tax year, when your spouse moved out of the household. You and your spouse were divorced in November of the tax year. Your modified AGI is \$17,000. Your former spouse's modified AGI is \$18,000. Your son is a qualifying child of both you and your former spouse because your son lived with each of you for more than half the year and because he met the relationship and age tests for both of you. However, because your former spouse's modified AGI (\$18,000) is more than your modified AGI (\$17,000), your former spouse is the only one who may be able to claim the EIC for the tax year. You cannot claim the EIC for persons without a qualifying child because your modified AGI is \$16,400 or more.

Example 5. You and your sister lived together all year. You have a 22-year-old son who lives with you, but is currently away from home attending college full time. Your sister has a 4-year-old daughter who lives with you and your sister. You care for your niece as you would your own child. Your modified AGI is \$16,000. Your sister's modified AGI is \$14,000. Both children meet the age and residency tests for both you and your sister. Your son meets the age test because he is under 24 and a full-time student. He meets the residency test because he is only temporarily away from home while attending college. Your niece meets the relationship test for both you and

your sister. She meets the test for you as your eligible foster child because she is your sister's child, she lived with you all year, and you cared for her as your own child. Your son meets the relationship test for you but not for your sister because she does not care for him as her own child. Your son is a qualifying child for you but not for your sister. Your niece could be a qualifying child for both you and your sister. Because your modified AGI is higher than your sister's, only you can claim the EIC using your niece. You can claim the EIC for two children. If your sister's modified AGI were higher than yours, she could claim the EIC using your niece, and you could claim the credit using your son. This is so even though you and your sister have the same address and share the same household.

Example 6. You and your child live with someone not related to you.

You, your 2-year-old son, and your son's father lived together all year. You and your son's father are not married. Your modified AGI is \$18,000. Your son's father's modified AGI is \$20,000. Your son is a qualifying child of both you and his father because he meets the relationship, age, and residency tests for both you and his father. Because the father's modified AGI was more than yours, only he may be able to claim your son for Indiana EIC purposes.

What if the person with the highest modified AGI cannot claim the EIC?

If you and someone else have the same qualifying child, and the other person has the higher modified AGI, then the child is the other person's qualifying child for Indiana's EIC purposes. You cannot treat the child as a qualifying child to claim Indiana's EIC even if the other person cannot claim Indiana's EIC.

Example. You and your 8-year-old daughter moved in with your mother two years ago. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your modified AGI for the tax year was \$8,000, and your mother's was \$54,000. Because your mother's modified AGI was higher, your daughter is your mother's qualifying child for Indiana EIC purposes. Since your mother's modified AGI is \$49,399 or greater, she is not eligible to claim Indiana's EIC. You **cannot** claim an Indiana EIC using your child as a qualifying child even though your mother cannot claim the credit.

Example. Your 10-year-old child has taxable interest income of \$400, an Alaska Permanent Fund dividend of \$1,000, and ordinary dividends of \$1,100, of which \$500 are qualified dividends. You choose to report this income on your federal return. You enter \$400 on line 1a of federal Form 8814, \$2,100 (\$1,000 plus \$1,100) on line 2a, and \$500 on line 2b. After completing lines 4 through 11, you enter \$320 on line 12 of Form 8814 and line 8 of Form 1040/1040-SR, Schedule 1. On Worksheet 2, enter \$2,100 on line 1, \$500 on line 2, \$1,600 on line 3, \$400 on line 4, \$2,000 on line 5, \$1,000 on line 6, 0.500 on line 7, \$320 on line 8, \$160 on line 9, and \$160 on line 10. You then enter \$160 on line 4 of Worksheet 1.

Chapter 3. Modified Adjusted Gross Income (AGI)

Your modified AGI must be less than:

- \$49,399 if you have more than one qualifying child,
- \$43,450 if you have one qualifying child, or
- \$16,400 if you do not have a qualifying child.

Before you begin...

You must have with you your completed federal tax return, Form 1040/1040-SR, including any federal schedules you completed.

Modified adjusted gross income (AGI). Modified AGI for most people is the same as the federal AGI. AGI is the amount on line 11 of federal Form 1040/1040-SR.

To find your modified AGI, you must add certain amounts to your AGI if you:

- Claim a loss on federal Schedule C, D, E, or F,
- Claim a loss from the rental of personal property not used in a trade or business,
- Received any tax-exempt interest, or
- Received certain pension, annuity, or individual retirement arrangement (IRA) distributions that were partly nontaxable.

How to figure your modified AGI

Your AGI is the amount on line 11 of your federal Form 1040/1040-SR. To find your modified AGI, you must add certain amounts to your AGI, including all or part of certain losses (such as 75% of certain business losses) you are claiming on your return.

Use **Worksheet 3** on page 17 to figure your modified AGI.

Your modified AGI must be less than:

- \$49,399 if you have more than one qualifying child,
- \$43,450 if you have one qualifying child, or
- \$16,400 if you do not have a qualifying child.

Important. If your modified AGI is too great, **STOP**. You cannot claim the EIC. You do not need to read the rest of this publication. You can go back and finish the rest of your tax return.

Chapter 4. Worksheets

Worksheet A: Indiana’s Earned Income Credit (EIC)

Before you begin: Be sure you are using the correct worksheet. Use Worksheet A if you answered “No” to Step 6, question 3. Use Worksheet B if you answered “Yes” to Step 6, question 3.

Part 1 – All filers using Worksheet A

1. Enter your earned income from Step 6, Box B 1. _____
2. Look up the amount on line 1 above in the *Indiana Earned Income Credit Table* starting on page 18 to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here 2. _____
 If line 2 is zero, **STOP**. You cannot claim the credit.
3. Enter your modified adjusted gross income from Step 5, Box A 3. _____
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, is the amount on line 3 less than \$9,150?
 - One qualifying child, is the amount on line 3 less than \$20,150?
 - Two or more qualifying children, is the amount on line 3 less than \$20,150?

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

No. Look up the amount on line 3 in the *Indiana Earned Income Credit Table* starting on page 18 to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here 5. _____

Look at the amounts on line 5 and 2. Then, enter the **smaller** amount on line 6.

Part 3 – Your Indiana earned income credit

6. This is the amount from Part 1 or Part 2 above..... 6. _____
7. If you have an alternative minimum tax on our federal tax return, Form 1040/1040-SR, then multiply that amount by 10% (.10) and enter the result here..... 7. _____
8. Subtract line 7 from line 6 (if zero or less, **STOP**. You cannot take a credit). Enter this amount here..... 8. _____
9. This is the amount from Part 1 or Part 2 above. Enter the earned income credit claimed on your federal tax return Form 1040/1040-SR..... 9. _____
10. Multiply line 9 by .10 (10%). Enter result here..... 10. _____
11. Look at the amount on line 8 and on line 10. Enter the **smaller** amount here and on Schedule IN-EIC, line A-3..... **Indiana Earned Income Credit** 11. _____

Final Step – You must complete Schedule IN-EIC and enclose it with your filing.

Worksheet B: Indiana’s Earned Income Credit (EIC)

Use this worksheet if you answered “Yes” to Step 6, question 3.

- Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- If you are married filing a joint return, include your spouse’s amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

Part 1 – Self-employed, members of the clergy, and people with church employee income filing federal Schedule SE

- 1a. Enter the sum of federal Schedule SE, lines 3, 4b, and 5a..... 1a. _____
- 1b. Enter the amount from federal Schedule SE, line 13..... 1b. _____
- 1c. Subtract line 1b from 1a 1c. _____

Part 2 – Self-employed NOT required to file federal Schedule SE (net earnings from self-employment were less than \$400)

2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, any amount exempt from self-employment tax as the result of filing and approval of federal Form 4029 or Form 4361, or any other amounts exempt from self-employment tax.
- 2a. Enter any net farm income or (loss) from federal Schedule F, line 34, and from farm partnerships, Schedule K-1 (federal Form 1065), box 14, code A 2a. _____
- 2b. Enter any net profit or (loss) from federal Schedule C, line 31; Schedule K-1 (federal Form 1065), box 14, code A 2b. _____
- 2c. Add lines 2a and 2b..... 2c. _____

Part 3 – Statutory employees filing federal Schedule C

3. Enter the amount from federal Schedule C, line 1, that you are filing as a statutory employee..... 3. _____

Part 4 – All filers using Worksheet B

- 4a. Enter your earned income from Step 6, Box B..... 4a. _____
- 4b. Add lines 1c, 2c, 3 and 4a. This is your total earned income 4b. _____
5. If you have:
- Two or more qualifying children, is line 4b less than \$49,399?
 - One qualifying child, is line 4b less than \$43,450?
 - No qualifying children, is line 4b less than \$16,400?

Yes. Enter the amount from line 4b on line 6 of this worksheet.

No. STOP. You cannot take the credit.

Part 5 – All filers using Worksheet B

6. Enter your total earned income from Part 4, line 4b..... 6. _____
7. Look up the amount on line 6 above in the *Indiana Earned Income Credit Table* starting on page 18 to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here 7. _____

If line 7 is zero, **STOP.** You cannot take the credit.

8. Enter your modified adjusted gross income from Step 5, Box A. (If you filled out Worksheet 3, enter the amount from line 17.)..... 8. _____
9. Are the amounts on lines 8 and 6 the same?
Yes. Skip line 10; enter the amount from line 7 on line 11.
No. Go to line 10.

Worksheet B: Indiana’s Earned Income Credit (EIC) (continued)

Part 6 – Filers who answered “No” on line 9

10. If you have:
- No qualifying children, is the amount on line 8 less than \$9,150?
 - One qualifying child, is the amount on line 8 less than \$20,150?
 - Two or more qualifying children, is the amount on line 8 less than \$20,150?

Yes. Leave line 10 blank; enter the amount from line 7 on line 11.

No. Look up the amount on line 8 in the *Indiana Earned Income Credit Table* starting on page 18 to find the credit. Be sure you use the correct column for the number of children you can claim. Enter the credit here 10. _____

Look at the amounts on line 10 and 7. Then, enter the **smaller** amount on line 11.

Part 7 – Your Indiana earned income credit

11. This is the amount from Part 5 or Part 6 above..... 11. _____
12. If you have an alternative minimum tax on your federal tax return, Form 1040/1040-SR, then multiply that amount by 10% (.10) and enter the result here..... 12. _____
13. Subtract line 12 from line 11 (if zero or less, STOP. You cannot take a credit). Enter this amount here 13. _____
14. Enter the earned income credit claimed on your federal tax return, Form 1040/1040-SR 14. _____
15. Multiply line 14 by .10 (10%). Enter result here..... 15. _____
16. Look at the amount on line 13 and on line 15. Then, enter the smaller amount here and on Schedule IN-EIC, line A-3 **Indiana Earned Income Credit** 16. _____

Final Step – You must complete Schedule IN-EIC and enclose it with your filing.

Worksheet 1: Investment Income If You Are Filing Federal Form 1040/1040-SR

Use this worksheet to figure investment income if you were sent here from Step 2 of the EIC instructions found in the [IT-40/IT-40PNR instruction booklets](#).

Interest and Dividends

1. Enter any amount from Form 1040/1040-SR, line 2b..... 1. _____
2. Enter any amount from Form 1040/1040-SR, line 2a, plus any amount on Form 8814, line 1b 2. _____
3. Enter any amount from Form 1040/1040-SR, line 3b..... 3. _____
4. Enter the amount from Form 1040/1040-SR, line 8, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (If your child received an Alaska Permanent Fund dividend, use Worksheet 2, on page 16, to figure the amount to enter on this line.) 4. _____

Capital Gain Net Income

5. Enter the amount from Form 1040/1040-SR, line 7. If the amount on that line is a loss, enter -0-..... 5. _____
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.)..... 6. _____
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.)..... 7. _____

Royalties and Rental Income from Personal Property

8. Enter any royalty income included on federal Schedule E, line 23b, plus any income from the rental of personal property shown on Form 1040/1040-SR, Schedule 1, line 8 8. _____
9. Enter any expenses from Schedule E, line 20, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040/1040-SR, Schedule 1, line 22 9. _____
10. Subtract the amount on line 9 of this worksheet from the amount on line 8 (If the result is less than zero, enter -0-.)..... 10. _____

Passive Activities

11. Enter the total of any net income from passive activities (such as income included on Schedule E, line 26, 29a (col. (h)), 34a (col. (d)), or 40; or an ordinary gain identified as "FPA" on Form 4797, line 10). (See instructions below for lines 11 and 12.) 11. _____
12. Enter the total of any losses from passive activities (such as losses included on Schedule E, line 26, 29b (col. (g)), 34b (col. (c)), or 40; or an ordinary loss identified as "PAL" on Form 4797, line 10). (See instructions below for lines 11 and 12.) 12. _____
13. Combine the amounts on lines 11 and 12 of this worksheet. (If the result is less than zero, enter -0-.) 13. _____
14. Add the amounts on lines 1, 2, 3, 4, 7, 10, and 13. Enter the total. This is your Investment Income..... 14. _____

15. Is the amount on line 14 more than **\$3,800**?
Yes. STOP. You cannot take the credit.
No. Go to the Form IT-40 or IT-40PNR instruction booklet (<https://www.in.gov/dor/tax-forms/2022-individual-income-tax-forms/>). Find the instructions for line 5 of Schedule 5: Credits (IT-40PNR Schedule F); go to Step 3 to find out if you can take the credit.

Instructions for lines 11 and 12. In figuring the amount to enter on lines 11 and 12, do not take into account any royalty income or loss included on line 26 of Schedule E or any income or loss included in your earned income or on line 1, 2, 3, 4, 7, or 10 of this worksheet. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions.

Worksheet 2: Worksheet for Line 4 of Worksheet 1

Complete this worksheet only if federal Form 8814 includes an Alaska Permanent Fund dividend.

Note. Fill out a separate Worksheet 2 for each Form 8814.

1. Enter the amount from Form 8814, line 2a..... 1. _____
2. Enter the amount from Form 8814, line 2b..... 2. _____
3. Subtract line 2 from line 1..... 3. _____
4. Enter the amount from Form 8814, line 1a..... 4. _____
5. Add lines 3 and 4..... 5. _____
6. Enter the amount of the child's Alaska Permanent Fund dividend. 6. _____
7. Divide line 6 by line 5. Enter the result as a decimal (rounded to at least three places). 7. _____
8. Enter the amount from Form 8814, line 12..... 8. _____
9. Multiply line 7 by line 8. 9. _____
10. Subtract line 9 from line 8. Enter the result on line 4 of Worksheet 1. 10. _____

(If filing more than one Form 8814, enter on line 4 of Worksheet 1 the total of the amounts on line 10 of all Worksheets 2.)

Worksheet 3: Modified AGI If You Are Filing Federal Form 1040/1040-SR

Enter losses as **positive amounts** (except for lines 7, 8, and 9). For example, if your federal AGI (federal Form 1040/1040-SR, line 11) is \$10,000 and you have a \$1,000 capital loss from the sale of stock (federal Form 1040/1040-SR, line 6), you will enter \$10,000 on line 1 of this worksheet and \$1,000 on line 3. If you do not have to enter any other amounts, your modified AGI is \$11,000 (\$10,000 + \$1,000).

- | | |
|--|-------------------------------|
| 1. Enter the amount from federal Form 1040/1040-SR, line 11..... | 1. _____ |
| 2. Enter any amount from federal Form 1040/1040-SR, line 2a, plus any amount on Form 8814, line 1b | 2. _____ |
| 3. Enter the amount of any loss claimed on Form 1040/1040-SR, line 7.
(If the amount on Form 1040/1040-SR, line 7, is a gain, enter zero.) | 3. _____ |
| 4. Enter the nontaxable part of a pension, annuity, or individual retirement arrangement (IRA) distribution
(any part of the distribution that you did not report on lines 4b and 5b of federal Form 1040/1040-SR),
except any amount that is nontaxable because it was a trustee-to-trustee transfer or a rollover distribution.
(Do not enter any amount that was from a Coverdell ESA. See Special instructions for clergy, prison inmates,
deferred compensation plans, and Coverdell ESAs, later.)..... | 4. _____ |
| 5. Enter the amount of any loss claimed on federal Form 1040/1040-SR, Schedule 1, line 3.
(If the amount on Form 1040/1040-SR, Schedule 1, line 3, is a gain, enter zero.)
(See instructions below for line 5.) | 5. _____ |
| 6. Enter the amount of any loss claimed on federal Form 1040/1040-SR, Schedule 1, line 6.
(If the amount on Form 1040/1040-SR, Schedule 1, line 6, is a gain, enter zero.) | 6. _____ |
| 7. Enter the amount of any rental real estate income or loss included on federal
Schedule E, line 26. (See instructions below for lines 7, 8, and 9.) | 7. _____ |
| 8. Enter the amount from federal Schedule E, line 32.
(See instructions below for lines 7, 8, and 9.) | 8. _____ |
| 9. Enter the amount from federal Schedule E, line 40.
(See instructions below for lines 7, 8, and 9.) | 9. _____ |
| 10. Combine the amounts on lines 7, 8, and 9. If the result is a loss, enter it here.
If the result is a gain, enter zero. (See instructions below for line 10.)..... | 10. _____ |
| 11. Add the amounts on lines 5, 6, and 10 of this worksheet. Enter the result | 11. _____ |
| 12. Multiply the amount on line 11 of this worksheet by 75% (0.75). Enter the result | 12. _____ |
| 13. Enter the amount of any loss claimed on federal Schedule E, line 37 | 13. _____ |
| 14. Enter any income from the rental of personal property shown on federal Form 1040/1040-SR,
Schedule 1, line 8, plus any royalty income included on federal Schedule E, line 4..... | 14. _____ |
| 15. Enter any expenses from the rental of personal property deducted on federal
Form 1040/1040-SR, Schedule 1, line 26, plus any expenses from federal
Schedule E, line 18 related to royalty income | 15. _____ |
| 16. Subtract the amount on line 15 of this worksheet from the amount on line 14.
If the result is a loss, enter it here. If the result is a gain, enter zero | 16. _____ |
| 17. Add the amounts on lines 1, 2, 3, 4, 12, 13, and 16 of this worksheet. Enter the total | Modified AGI 17. _____ |

If you have:

- Two or more qualifying children, is line 17 less than \$49,399?
- One qualifying child, is line 17 less than \$43,450?
- No qualifying children, is line 17 less than \$16,400?

Yes. Go to the Form IT-40 or IT-40PNR instruction booklet (<https://www.in.gov/dor/tax-forms/2022-individual-income-tax-forms/>).

Find the instructions for line 5 of Schedule 5: Credits (IT-40PNR Schedule F). Enter the amount from line 17 on Step 5, line 1, Box A, and continue to Step 6 to find out if you can take the credit.

No. STOP. You cannot take the credit.

Line 5 instructions. If you have a business loss on line 3 of federal Form 1040/1040-SR, Schedule 1, enter the amount of the loss on line 5 of this worksheet. Do this even if that loss amount is the result of combining gains and losses from more than one federal Schedule C.

Example. You have two federal Schedules C. One shows a \$2,000 gain. The other shows a \$10,000 loss. You enter the net loss of \$8,000 on line 3 of federal Form 1040/1040-SR, Schedule 1, and on line 5 of this worksheet.

Lines 7, 8, and 9 instructions. These lines are an exception to the rule that all amounts on the worksheet must be positive amounts. On these lines, enter any loss by enclosing it in parentheses.

Line 10 instructions. Combine the amounts on lines 7, 8, and 9 to arrive at the amount on line 10. For example, if you enter \$2,000 on line 7, \$1,000 on line 8, and a -\$3,600 loss on line 9, enter the loss of \$600 as a positive figure on line 10. But if the result of combining lines 7, 8, and 9 is a gain, enter zero. For example, if you enter \$2,000 on line 7, \$1,000 on line 8, and a -\$2,500 loss on line 9, enter zero on line 10.

Chapter 5. 2022 Indiana Earned Income Credit (EIC) Table

1. To find your credit, read down the "At least-But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

2. Then, read across to the column that includes the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

Example. If you have one qualifying child and the amount you are looking up from your EIC Worksheet is \$2,455, you would enter \$76.

If the amount you are looking up from the worksheet is —		And you have —		
		No children	One child	Two children
At least	But less than	Your credit is —		
2,400	2,450	17	74	87
2,450	2,450	17	76	89

If the amount you are looking up from the worksheet is —		And you have —		
		No child- ren	One child	Two child- ren
At least	But less than	Your credit is —		

If the amount you are looking up from the worksheet is —		And you have —		
		No child- ren	One child	Two child- ren
At least	But less than	Your credit is —		

If the amount you are looking up from the worksheet is —		And you have —		
		No child- ren	One child	Two child- ren
At least	But less than	Your credit is —		

If the amount you are looking up from the worksheet is —		And you have —		
		No child- ren	One child	Two child- ren
At least	But less than	Your credit is —		

0	50	0	1	1
50	100	1	3	3
100	150	1	4	5
150	200	1	6	7
200	250	2	8	9
250	300	2	9	11
300	350	3	11	13
350	400	3	13	15
400	450	3	15	17
450	500	4	16	19
500	550	4	18	21
550	600	4	20	23
600	650	5	21	25
650	700	5	23	27
700	750	6	25	29
750	800	6	26	31
800	850	6	28	33
850	900	7	30	35
900	950	7	32	37
950	1000	8	33	39
1000	1050	8	35	41
1050	1100	8	37	43
1100	1150	9	38	45
1150	1200	9	40	47
1200	1250	9	42	49
1250	1300	10	43	51
1300	1350	10	45	53
1350	1400	11	47	55
1400	1450	11	49	57
1450	1500	11	50	59
1500	1550	12	52	61
1550	1600	12	54	63
1600	1650	12	55	65
1650	1700	13	57	67
1700	1750	13	59	69
1750	1800	14	60	71
1800	1850	14	62	73
1850	1900	14	64	75
1900	1950	15	66	77
1950	2000	15	67	79

2000	2050	16	69	81
2050	2100	16	71	83
2100	2150	16	72	85
2150	2200	17	74	87
2200	2250	17	76	89
2250	2300	17	77	91
2300	2350	18	79	93
2350	2400	18	81	95
2400	2450	19	83	97
2450	2500	19	84	99
2500	2550	19	86	101
2550	2600	20	88	103
2600	2650	20	89	105
2650	2700	21	91	107
2700	2750	21	93	109
2750	2800	21	94	111
2800	2850	22	96	113
2850	2900	22	98	115
2900	2950	22	100	117
2950	3000	23	101	119
3000	3050	23	103	121
3050	3100	24	105	123
3100	3150	24	106	125
3150	3200	24	108	127
3200	3250	25	110	129
3250	3300	25	111	131
3300	3350	25	113	133
3350	3400	26	115	135
3400	3450	26	117	137
3450	3500	27	118	139
3500	3550	27	120	141
3550	3600	27	122	143
3600	3650	28	123	145
3650	3700	28	125	147
3700	3750	29	127	149
3750	3800	29	128	151
3800	3850	29	130	153
3850	3900	30	132	155
3900	3950	30	134	157
3950	4000	30	135	159

4000	4050	31	137	161
4050	4100	31	139	163
4100	4150	32	140	165
4150	4200	32	142	167
4200	4250	32	144	169
4250	4300	33	145	171
4300	4350	33	147	173
4350	4400	34	149	175
4400	4450	34	151	177
4450	4500	34	152	179
4500	4550	35	154	181
4550	4600	35	156	183
4600	4650	35	157	185
4650	4700	36	159	187
4700	4750	36	161	189
4750	4800	37	162	191
4800	4850	37	164	193
4850	4900	37	166	195
4900	4950	38	168	197
4950	5000	38	169	199
5000	5050	38	171	201
5050	5100	39	173	203
5100	5150	39	174	205
5150	5200	40	176	207
5200	5250	40	178	209
5250	5300	40	179	211
5300	5350	41	181	213
5350	5400	41	183	215
5400	5450	42	185	217
5450	5500	42	186	219
5500	5550	42	188	221
5550	5600	43	190	223
5600	5650	43	191	225
5650	5700	43	193	227
5700	5750	44	195	229
5750	5800	44	196	231
5800	5850	45	198	233
5850	5900	45	200	235
5900	5950	45	202	237
5950	6000	46	203	239

6000	6050	46	205	241
6050	6100	47	207	243
6100	6150	47	208	245
6150	6200	47	210	247
6200	6250	48	212	249
6250	6300	48	213	251
6300	6350	48	215	253
6350	6400	49	217	255
6400	6450	49	219	257
6450	6500	50	220	259
6500	6550	50	222	261
6550	6600	50	224	263
6600	6650	51	225	265
6650	6700	51	227	267
6700	6750	51	229	269
6750	6800	52	230	271
6800	6850	52	232	273
6850	6900	53	234	275
6900	6950	53	236	277
6950	7000	53	237	279
7000	7050	54	239	281
7050	7100	54	241	283
7100	7150	55	242	285
7150	7200	55	244	287
7200	7250	55	246	289
7250	7300	56	247	291
7300	7350	56	249	293
7350	7400	56	251	295
7400	7450	56	253	297
7450	7500	56	254	299
7500	7550	56	256	301
7550	7600	56	258	303
7600	7650	56	259	305
7650	7700	56	261	307
7700	7750	56	263	309
7750	7800	56	264	311
7800	7850	56	266	313
7850	7900	56	268	315
7900	7950	56	270	317
7950	8000	56	271	319

2022 Indiana Earned Income Credit (EIC) Table (continued)

If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —							
At least	But less than	No child-ren	One child	Two child-ren	At least	But less than	No child-ren	One child	Two child-ren	At least	But less than	No child-ren	One child	Two child-ren					
		Your credit is —					Your credit is —					Your credit is —			Your credit is —				
8000	8050	56	273	321	10400	10450	46	355	417	12800	12850	28	373	513	15200	15250	10	373	609
8050	8100	56	275	323	10450	10500	46	356	419	12850	12900	28	373	515	15250	15300	9	373	611
8100	8150	56	276	325	10500	10550	46	358	421	12900	12950	27	373	517	15300	15350	9	373	613
8150	8200	56	278	327	10550	10600	45	360	423	12950	13000	27	373	519	15350	15400	9	373	615
8200	8250	56	280	329	10600	10650	45	361	425	13000	13050	26	373	521	15400	15450	8	373	616
8250	8300	56	281	331	10650	10700	44	363	427	13050	13100	26	373	523	15450	15500	8	373	616
8300	8350	56	283	333	10700	10750	44	365	429	13100	13150	26	373	525	15500	15550	7	373	616
8350	8400	56	285	335	10750	10800	44	366	431	13150	13200	25	373	527	15550	15600	7	373	616
8400	8450	56	287	337	10800	10850	43	368	433	13200	13250	25	373	529	15600	15650	7	373	616
8450	8500	56	288	339	10850	10900	43	370	435	13250	13300	25	373	531	15650	15700	6	373	616
8500	8550	56	290	341	10900	10950	43	372	437	13300	13350	24	373	533	15700	15750	6	373	616
8550	8600	56	292	343	10950	11000	42	373	439	13350	13400	24	373	535	15750	15800	5	373	616
8600	8650	56	293	345	11000	11050	42	373	441	13400	13450	23	373	537	15800	15850	5	373	616
8650	8700	56	295	347	11050	11100	41	373	443	13450	13500	23	373	539	15850	15900	5	373	616
8700	8750	56	297	349	11100	11150	41	373	445	13500	13550	23	373	541	15900	15950	4	373	616
8750	8800	56	298	351	11150	11200	41	373	447	13550	13600	22	373	543	15950	16000	4	373	616
8800	8850	56	300	353	11200	11250	40	373	449	13600	13650	22	373	545	16000	16050	4	373	616
8850	8900	56	302	355	11250	11300	40	373	451	13650	13700	22	373	547	16050	16100	3	373	616
8900	8950	56	304	357	11300	11350	39	373	453	13700	13750	21	373	549	16100	16150	3	373	616
8950	9000	56	305	359	11350	11400	39	373	455	13750	13800	21	373	551	16150	16200	2	373	616
9000	9050	56	307	361	11400	11450	39	373	457	13800	13850	20	373	553	16200	16250	2	373	616
9050	9100	56	309	363	11450	11500	38	373	459	13850	13900	20	373	555	16250	16300	2	373	616
9100	9150	56	310	365	11500	11550	38	373	461	13900	13950	20	373	557	16300	16350	1	373	616
9150	9200	56	312	367	11550	11600	38	373	463	13950	14000	19	373	559	16350	16400	1	373	616
9200	9250	56	314	369	11600	11650	37	373	465	14000	14050	19	373	561	16400	16450	0	373	616
9250	9300	55	315	371	11650	11700	37	373	467	14050	14100	18	373	563	16450	16500		373	616
9300	9350	55	317	373	11700	11750	36	373	469	14100	14150	18	373	565	16500	16550		373	616
9350	9400	54	319	375	11750	11800	36	373	471	14150	14200	18	373	567	16550	16600		373	616
9400	9450	54	321	377	11800	11850	36	373	473	14200	14250	17	373	569	16600	16650		373	616
9450	9500	54	322	379	11850	11900	35	373	475	14250	14300	17	373	571	16650	16700		373	616
9500	9550	53	324	381	11900	11950	35	373	477	14300	14350	17	373	573	16700	16750		373	616
9550	9600	53	326	383	11950	12000	35	373	479	14350	14400	16	373	575	16750	16800		373	616
9600	9650	52	327	385	12000	12050	34	373	481	14400	14450	16	373	577	16800	16850		373	616
9650	9700	52	329	387	12050	12100	34	373	483	14450	14500	15	373	579	16850	16900		373	616
9700	9750	52	331	389	12100	12150	33	373	485	14500	14550	15	373	581	16900	16950		373	616
9750	9800	51	332	391	12150	12200	33	373	487	14550	14600	15	373	583	16950	17000		373	616
9800	9850	51	334	393	12200	12250	33	373	489	14600	14650	14	373	585	17000	17050		373	616
9850	9900	51	336	395	12250	12300	32	373	491	14650	14700	14	373	587	17050	17100		373	616
9900	9950	50	338	397	12300	12350	32	373	493	14700	14750	13	373	589	17100	17150		373	616
9950	10000	50	339	399	12350	12400	31	373	495	14750	14800	13	373	591	17150	17200		373	616
10000	10050	49	341	401	12400	12450	31	373	497	14800	14850	13	373	593	17200	17250		373	616
10050	10100	49	343	403	12450	12500	31	373	499	14850	14900	12	373	595	17250	17300		373	616
10100	10150	49	344	405	12500	12550	30	373	501	14900	14950	12	373	597	17300	17350		373	616
10150	10200	48	346	407	12550	12600	30	373	503	14950	15000	12	373	599	17350	17400		373	616
10200	10250	48	348	409	12600	12650	30	373	505	15000	15050	11	373	601	17400	17450		373	616
10250	10300	48	349	411	12650	12700	29	373	507	15050	15100	11	373	603	17450	17500		373	616
10300	10350	47	351	413	12700	12750	29	373	509	15100	15150	10	373	605	17500	17550		373	616
10350	10400	47	353	415	12750	12800	28	373	511	15150	15200	10	373	607	17550	17600		373	616

2022 Indiana Earned Income Credit (EIC) Table (continued)

If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —			If the amount you are looking up from the worksheet is —		And you have —		
At least	But less than	No child- ren	One child	Two child- ren	At least	But less than	No child- ren	One child	Two child- ren	At least	But less than	No child- ren	One child	Two child- ren
		Your credit is —					Your credit is —					Your credit is —		
27200	27250	260	467		29600	29650	222	416		32000	32050	183	366	
27250	27300	259	466		29650	29700	221	415		32050	32100	182	365	
27300	27350	258	465		29700	29750	220	414		32100	32150	182	364	
27350	27400	258	464		29750	29800	219	413		32150	32200	181	363	
27400	27450	257	463		29800	29850	218	412		32200	32250	180	362	
27450	27500	256	462		29850	29900	218	411		32250	32300	179	361	
27500	27550	255	461		29900	29950	217	410		32300	32350	178	360	
27550	27600	254	460		29950	30000	216	409		32350	32400	178	359	
27600	27650	254	459		30000	30050	215	408		32400	32450	177	358	
27650	27700	253	458		30050	30100	214	407		32450	32500	176	356	
27700	27750	252	456		30100	30150	214	406		32500	32550	175	355	
27750	27800	251	455		30150	30200	213	405		32550	32600	174	354	
27800	27850	250	454		30200	30250	212	404		32600	32650	174	353	
27850	27900	250	453		30250	30300	211	403		32650	32700	173	352	
27900	27950	249	452		30300	30350	210	402		32700	32750	172	351	
27950	28000	248	451		30350	30400	210	401		32750	32800	171	350	
28000	28050	247	450		30400	30450	209	400		32800	32850	171	349	
28050	28100	246	449		30450	30500	208	399		32850	32900	170	348	
28100	28150	246	448		30500	30550	207	398		32900	32950	169	347	
28150	28200	245	447		30550	30600	206	396		32950	33000	168	346	
28200	28250	244	446		30600	30650	206	395		33000	33050	167	345	
28250	28300	243	445		30650	30700	205	394		33050	33100	167	344	
28300	28350	242	444		30700	30750	204	393		33100	33150	166	343	
28350	28400	242	443		30750	30800	203	392		33150	33200	165	342	
28400	28450	241	442		30800	30850	202	391		33200	33250	164	341	
28450	28500	240	441		30850	30900	202	390		33250	33300	163	340	
28500	28550	239	440		30900	30950	201	389		33300	33350	163	339	
28550	28600	238	439		30950	31000	200	388		33350	33400	162	338	
28600	28650	238	438		31000	31050	199	387		33400	33450	161	336	
28650	28700	237	436		31050	31100	198	386		33450	33500	160	335	
28700	28750	236	435		31100	31150	198	385		33500	33550	159	334	
28750	28800	235	434		31150	31200	197	384		33550	33600	159	333	
28800	28850	234	433		31200	31250	196	383		33600	33650	158	332	
28850	28900	234	432		31250	31300	195	382		33650	33700	157	331	
28900	28950	233	431		31300	31350	194	381		33700	33750	156	330	
28950	29000	232	430		31350	31400	194	380		33750	33800	155	329	
29000	29050	231	429		31400	31450	193	379		33800	33850	155	328	
29050	29100	230	428		31450	31500	192	378		33850	33900	154	327	
29100	29150	230	427		31500	31550	191	376		33900	33950	153	326	
29150	29200	229	426		31550	31600	190	375		33950	34000	152	325	
29200	29250	228	425		31600	31650	190	374		34000	34050	151	324	
29250	29300	227	424		31650	31700	189	373		34050	34100	151	323	
29300	29350	226	423		31700	31750	188	372		34100	34150	150	322	
29350	29400	226	422		31750	31800	187	371		34150	34200	149	321	
29400	29450	225	421		31800	31850	186	370		34200	34250	148	320	
29450	29500	224	420		31850	31900	186	369		34250	34300	147	319	
29500	29550	223	419		31900	31950	185	368		34300	34350	147	318	
29550	29600	222	418		31950	32000	184	367		34350	34400	146	316	

Chapter 6. Definitions and Special Rules *(listed in alphabetical order)*

Adopted child. An adopted child is always treated as your own child. The term “adopted child” includes a child who was lawfully placed with you for legal adoption, even if the adoption is not final.

Birth or death of child. A child who was born or died during the year is treated as having lived with you for all of the tax year if your home was the child’s home the entire time he or she was alive during the year.

Important. If your child was born and died during the tax year, and you do not have a SSN for the child, you cannot file your Indiana tax return electronically. You must enclose a copy of the child’s birth certificate, death certificate and/or hospital records when you file. The document must show the child was born alive.

Children of divorced or parents who lived apart. See *Chapter 2. Rules If You Have a Qualifying Child* on page 8 for details concerning how to determine if you may claim the child for Indiana EIC purposes.

Church employees. A church employee means an employee (other than a minister or member of a religious order) of a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes. Determine how much of the amount on federal Form 1040/1040-SR, line 1, was also reported on federal Schedule SE, Section B, line 5a. Subtract that amount from the amount on federal Form 1040/1040-SR, line 1, and enter the result in the first space of Step 6, line 2. Be sure to answer “Yes” to question 1 in Step 6.

Claim for refund. A claim for refund is a federal return filed only to get a refund of withheld income tax or estimated tax paid. A federal return is not a claim for refund if the EIC or any other similar refundable credit is claimed on it.

Clergy. The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing federal Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on federal Form 1040/1040-SR, line 1:

- Determine how much of the amount on federal Form 1040/1040-SR, line 1, was also reported on federal Schedule SE, Section A, line 2, or Section B, line 2.
- Subtract that amount from the amount on federal Form 1040/1040-SR, line 1. Enter the result in the first space of Step 6, line 2.
- Be sure to answer “yes” to question 1 in Step 6.

Combat pay, nontaxable. If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income.

- If you included your combat pay when figuring your federal EIC, then enter the same amount in Step 6, line 2.
- If you did not include it when figuring your federal EIC, then do not enter any amount in Step 6, line 2.

Exception to “time lived with you” condition. A child is considered to have lived with you for all of the tax year if the child was born or died during the year and your home was this child’s home for the entire time he or she was alive during the year. Temporary absences, such as for school, vacation, medical care, or detention in a juvenile facility, count as time lived at home. If your child is presumed to have been kidnapped by someone who is not a family member, see *Chapter 2. Rules If You Have a Qualifying Child* on page 8 to find out if that child is a qualifying child for the EIC. If you were in the military stationed outside the United States, see *Members of the military* below.

Federal Form 4797 filers. If the amount on Form 1040/1040-SR, line 7, includes an amount from federal Form 4797, you must use **Worksheet 1** on page 15 to see if you can take the EIC. Otherwise, **STOP**; you cannot take the EIC.

Foster child.

- Any child you cared for as your own child **and** who is (a) your brother, sister, stepbrother, or stepsister; (b) a descendant (such as a child, including an adopted child) of your brother, sister, stepbrother, or stepsister; or (c) a child placed with you by an authorized placement agency. For example, if you acted as the parent of your niece or nephew, this child is considered your foster child.
- The qualifying foster child must live with you for the entire year (except for temporary absences).

Grandchild. For the EIC, this means any descendant of your son, daughter, or adopted child. For example, a grandchild includes your great-grandchild, great-great-grand child, etc.

Kidnapped child. A kidnapped child is treated as living with you for more than half of the year if the child lived with you for more than half the part of the year before the date of the kidnapping. The child must be presumed by law enforcement authorities to have been kidnapped by someone who is not a member of your family or the child’s family. This treatment applies for all years until the child

is returned. However, the last year this treatment can apply is the earlier of:

1. The year there is a determination that the child has died, or
2. The year the child would have reached age 18.

Married child. A child who was married at the end of the tax year is a qualifying child only if (a) you can claim him or her as your dependent on Schedule 3, line 2 (of Form IT-40) or Schedule D, line 3 (of Form IT-40PNR), or (b) you could have claimed him or her as your dependent except for the special rule for *Children of divorced or parents who lived apart*.

Members of the military. U.S. military personnel stationed outside the United States on extended active duty are considered to live in the United States during that duty period for purposes of the EIC. Extended active duty is military duty ordered for an indefinite period or a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you do not serve more than 90 days.

Permanently and completely disabled. A person is permanently and completely disabled if, at any time during the tax year, the person could not engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

Qualifying child of more than one person. If the child meets the conditions to be a qualifying child of more than one person, only the person who had the **highest** modified adjusted gross income (MAGI) for the tax year may treat that child as a qualifying child. The other person(s) cannot take the EIC for people who do not have a qualifying child. If the other person is your spouse and you are filing a joint return, this rule does not apply.

If you have the highest MAGI, this child is your qualifying child. The child must have a Social Security number unless the child was born and died during the year. If you do not have the highest MAGI, STOP; you cannot take the EIC.

Example. You and your 8-year-old daughter moved in with your mother in 2022. You are not a qualifying child of your mother. Your daughter meets the conditions to be a qualifying child for both you and your mother. Your MAGI for the tax year was \$8,000 and your mother's was \$14,000. Because your mother's MAGI was higher, your daughter is your mother's qualifying child for EIC purposes. You **cannot** figure an EIC using your child as a qualifying child, even if your mother does not claim the credit.

Scholarship or fellowship grants not reported on a Form W-2. A scholarship or fellowship grant that was not reported to you on a Form W-2 is not considered earned income for the earned income credit.

School defined. A school can be an elementary school, junior or senior high school, college, university, or technical, trade, or mechanical school. However, on-the-job training courses, correspondence schools, and schools offering courses only through the Internet do not count as schools for the EIC.

Social Security Number. Your child must have a valid Social Security number (SSN) unless the child was born and died during the year. If your dependent child was born and died during the year and you do not have a SSN for the child, you will be able to claim the child for purposes of claiming Indiana's earned income credit as long as all the other requirements have been met. For more information, see the instructions on Schedule IN-EIC.

Student defined. A student is a child who, during any five months of the tax year was enrolled as a full-time student at a school that has a regular teaching staff, course of study, and regular student body at the school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school does not include a technical, trade or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet. A full-time student is a student who is enrolled for the number of hours or courses the school considers to be full-time attendance.

Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

Vocational high school students. Students who work in co-op jobs in private industry as a part of a school's regular course of classroom and practical training are considered full-time students.

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