Schedule IN-EIC
Form IT-40/IT-40PNR
State Form 49469
(R9 / 9-10)

Schedule IN-EIC: Indiana's Earned Income Credit

Attach only if claiming this credit on Forms IT-40 or IT-40PNR

2010

Enclosure
Sequence No. **9**

Name(s) shown on Form IT-40/IT-40PNR

Your Social Security Number

Section A: Figure Your Indiana Earned Income Credit

A-1 Enter the earned income credit from your federal income tax return Form 1040 line 64a, Form 1040A line 41a, or Form 1040EZ line 9a (must be $6.00 or more: see instructions) ______ **A-1** .00

A-2 Multiply line A-1 by .09 and enter here. Carry this total to Form IT-40 Schedule 5, line 5, or Form IT-40PNR Schedule F, line 5, Box A ____________________ **Indiana Earned Income Credit** **A-2** .00

- **If you did not complete Federal Schedule EIC (you did not claim children when figuring your federal earned income credit), you are finished with this schedule. Make sure to attach it to your Form IT-40 or IT-40PNR.**
- **If you claimed children on your federal Schedule EIC:** Complete Section B if you claimed children (on federal Schedule EIC) when you figured your earned income credit on federal Forms 1040 or 1040A. Enter information for up to four children even if only claiming three on federal Schedule EIC (see instructions for more information).

Section B: Qualifying Child (Read the instructions to explain the terms used below.)

	Child 1	Child 2	Child 3	Child 4
Enter each child's name	First	First	First	First
	Last	Last	Last	Last
Enter each child's Social Security Number ▶	SSN	SSN	SSN	SSN

Enter letter (e.g. **A**, **B**, **C**, etc.) in box that describes each child's relationship, age and location to you. See example on back of schedule.

		Child 1	Child 2	Child 3	Child 4
B-1	**A** Your Child **B** Adopted Child **C** Grandchild **D** Stepchild **E** Foster Child (not related) **F** Other (related foster child, or other related child - see instructions)				
B-2	**A** Under age 18 **B** Age 18 **C** Age 19 - 24 and full-time student **D** Age 19 or older and totally disabled				
B-3	**A** Child lived with you at least ½ of the year **B** Child was born or died in 2010, and lived with you while alive in 2010.				

Important: You must complete and attach this schedule to your Form IT-40 or IT-40PNR when claiming the earned income credit. Note: Do not complete or attach this schedule if you are claiming this credit on the Form IT-40EZ (see the worksheet on Form IT-40EZ for instructions for how to claim the credit).

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Indiana's Earned Income Credit Instructions

Generally, Indiana's earned income credit is 9% (.09) of the earned income credit allowed on your federal income tax return.

If, during 2010:
- you were an Indiana resident, and/or
- had income from Indiana sources, and
- you claimed the earned income credit on your federal income tax return (Form 1040, 1040A or 1040EZ),

then you are eligible to claim Indiana's Earned Income Credit.

Indiana's Earned Income Credit will lower the tax you owe and may give you a refund even if you don't owe any tax.

Note: Do not complete this schedule if filing Indiana's Form IT-40EZ. Instead, complete the worksheet on the back of Form IT-40EZ to claim your earned income credit.

Section A – Figure Your Credit

Enter on Line A-1 the amount of earned credit* from your

- Federal Form 1040, line 64a or
- Federal Form 1040A, line 41a or
- Federal Form 1040EZ, line 9a.

*** Important:** This amount must be at least $6.00 or more (a smaller federal earned income credit will create an Indiana credit of less than $1).

Multiply the amount on Line A1 by .09 (9%) and enter the result on line A-2. This is your Indiana earned income credit. Enter this amount on your Form IT-40, Schedule 5, line 5, or on Form IT-40PNR, Schedule F, line 5, Box A.

Section B – Qualifying Child

You must complete Section B if you filed the federal Schedule EIC, Earned Income Credit.

Enter information for the same child (or children) you entered on your federal Schedule EIC.

Note: If you have more than three children who meet the requirements to be eligible to claim them for the federal earned income credit on federal Schedule EIC, please enter the additional child's information (up to one additional child) in Column 4. Note: This will not increase or decrease your Indiana earned income credit.

In **Section B-1**, the 'Other' box (line F) includes:
- a related foster child, or
- your brother, sister, stepbrother, stepsister, or
- a descendant of your brother and/or sister, etc. (for example, your niece or nephew), whom you cared for as your own child.

Note: In **Section B-2**, line C, the child must be under age 24.

Caution: You must know what your <u>federal</u> earned income credit is before you can figure your <u>Indiana</u> earned income credit. Some individuals ask the Internal Revenue Service (IRS) to figure their federal earned income credit for them. If you have chosen to do this, you must wait to claim Indiana's earned income credit until you find out what your earned income credit is from the IRS. Your Indiana income tax return, Form IT-40, IT-40PNR, or IT-40EZ, must be filed by April 18, 2011. If you don't know what your federal earned income credit is by Indiana's filing due date, go ahead and file your Indiana return without claiming the earned income credit. Then, when you find out what your federal earned income credit is, file an amended (corrected) Indiana tax return, Form IT-40X, to claim your Indiana earned income credit.

Section B - Example Mrs. Jones' 18-year old granddaughter Amy lived with her the entire year. Ryan Smith, an unrelated 6-year-old foster child, lived with her for 10 months.

		Child 1	**Child 2**
Enter each child's name		First **Amy**	First **Ryan**
Enter each child's Social Security Number ▶		Last **Jones**	Last **Smith**
		SSN **000-00-0000**	SSN **000-00-0000**
Enter letter (e.g. **A**, **B**, **C**, etc.) in box that describes each child's relationship, age and location to you. See example on back of schedule.			
B-1	**A** Your Child **B** Adopted Child **C** Grandchild **D** Stepchild **E** Foster Child (not related) **F** Other (related foster child, or other related child - see instructions)	C	E
B-2	**A** Under age 18 **B** Age 18 **C** Age 19 - 24 and full-time student **D** Age 19 or older and totally disabled	B	A
B-3	**A** Child lived with you at least ½ of the year **B** Child was born or died in 2010, and lived with you while alive in 2010.	A	A