

## Paid Preparer's Earned Income Credit Checklist

▶ **To be completed by preparer and filed with Form 1040, 1040A, or 1040EZ.**  
 ▶ **Information about Form 8867 and its separate instructions is at [www.irs.gov/form8867](http://www.irs.gov/form8867).**

Taxpayer name(s) shown on return

Taxpayer's social security number

For the definitions of the following terms, see **Pub. 596**.

- **Investment Income**
- **Qualifying Child**
- **Earned Income**
- **Full-time Student**

### Part I All Taxpayers

<p><b>1</b> Enter preparer's name and PTIN ▶ _____</p>	
<p><b>2</b> Is the taxpayer's filing status married filing separately? . . . . .</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 2, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, continue.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>3</b> Does the taxpayer (and the taxpayer's spouse if filing jointly) have a social security number (SSN) that allows him or her to work or is valid for EIC purposes? See the instructions before answering</p> <p style="padding-left: 20px;">▶ If you checked <b>"No"</b> on line 3, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, continue.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>4</b> Is the taxpayer filing Form 2555 or Form 2555-EZ (relating to the exclusion of foreign earned income)? . . . . .</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 4, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, continue.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>5a</b> Was the taxpayer a nonresident alien for any part of 2012? . . . . .</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 5a, go to line 5b. Otherwise, skip line 5b and go to line 6.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>b</b> Is the taxpayer's filing status married filing jointly? . . . . .</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 5a and <b>"No"</b> on line 5b, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, continue.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>6</b> Is the taxpayer's <b>investment income</b> more than \$3,200? See Rule 6 in Pub. 596 before answering</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 6, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, continue.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
<p><b>7</b> Could the taxpayer, or the taxpayer's spouse if filing jointly, be a <b>qualifying child</b> of another person for 2012? If the taxpayer's filing status is married filing jointly, check "No." Otherwise, see Rule 10 (Rule 13 if the taxpayer does not have a qualifying child) in Pub. 596 before answering . . . . .</p> <p style="padding-left: 20px;">▶ If you checked <b>"Yes"</b> on line 7, <b>stop</b>; the taxpayer <b>cannot</b> take the EIC. Otherwise, go to Part II or Part III, whichever applies.</p>	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>

**Part II Taxpayers With a Child**

**Caution.** If there is more than one child, complete lines 8 through 14 for one child before going to the next column.

	Child 1	Child 2	Child 3
<b>8</b> Child's name . . . . .			
<b>9</b> Is the child the taxpayer's son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>10</b> Is either of the following true? • The child is unmarried, or • The child is married, can be claimed as the taxpayer's dependent, and is not filing a joint return (or is filing it only as a claim for refund).	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>11</b> Did the child live with the taxpayer in the United States for over half of the year? See the instructions before answering . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>12</b> Was the child (at the end of 2012)— • Under age 19 and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), • Under age 24, a full-time student, and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), or • Any age and permanently and totally disabled? . . . . . ▶ If you checked "Yes" on lines 9, 10, 11, and 12, the child is the taxpayer's qualifying child; go to line 13a. If you checked "No" on line 9, 10, 11, or 12, the child is not the taxpayer's qualifying child; see the instructions for line 12.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>13a</b> Could any other person check "Yes" on lines 9, 10, 11, and 12 for the child? ▶ If you checked "No" on line 13a, go to line 14. Otherwise, go to line 13b.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>b</b> Enter the child's relationship to the other person(s) . . . . .			
<b>c</b> Under the tiebreaker rules, is the child treated as the taxpayer's qualifying child? See the instructions before answering . . . . . ▶ If you checked "Yes" on line 13c, go to line 14. If you checked "No," the taxpayer <b>cannot</b> take the EIC based on this child and cannot take the EIC for taxpayers who do not have a qualifying child. If there is more than one child, see the <b>Note</b> at the bottom of this page. If you checked "Don't know," explain to the taxpayer that, under the tiebreaker rules, the taxpayer's EIC and other tax benefits may be disallowed. Then, if the taxpayer wants to take the EIC based on this child, complete lines 14 and 15. If not, and there are no other qualifying children, the taxpayer cannot take the EIC, including the EIC for taxpayers without a qualifying child; do not complete Part III. If there is more than one child, see the <b>Note</b> at the bottom of this page.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
<b>14</b> Does the qualifying child have an SSN that allows him or her to work or is valid for EIC purposes? See the instructions before answering . . . . . ▶ If you checked "No" on line 14, the taxpayer <b>cannot</b> take the EIC based on this child and cannot take the EIC available to taxpayers without a qualifying child. If there is more than one child, see the <b>Note</b> at the bottom of this page. If you checked "Yes" on line 14, continue.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>15</b> Are the taxpayer's <b>earned income</b> and <b>adjusted gross income</b> each less than the limit that applies to the taxpayer for 2012? See Pub. 596 for the limit . . . . . ▶ If you checked "No" on line 15, <b>stop</b> ; the taxpayer <b>cannot</b> take the EIC. If you checked "Yes" on line 15, the taxpayer can take the EIC. Complete <b>Schedule EIC</b> and attach it to the taxpayer's return. If there are two or three qualifying children with valid SSNs, list them on Schedule EIC in the same order as they are listed here. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to see if <b>Form 8862</b> must be filed. Go to line 20.			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Note.</b> If you checked "No" on line 13c or 14 but there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than three qualifying children). Also do this if you checked "Don't know" on line 13c and the taxpayer is not taking the EIC based on this child.			

**Part III Taxpayers Without a Qualifying Child**

**16** Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period. See Pub. 596.)

**Yes**       **No**

▶ If you checked "**No**" on line 16, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

**17** Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of 2012? See the instructions before answering . . . . .

**Yes**       **No**

▶ If you checked "**No**" on line 17, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

**18** Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for 2012? If the taxpayer's filing status is married filing jointly, check "No" . . . . .

**Yes**       **No**

▶ If you checked "**Yes**" on line 18, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

**19** Are the taxpayer's **earned income** and **adjusted gross income** each less than the limit that applies to the taxpayer for 2012? See Pub. 596 for the limit . . . . .

**Yes**       **No**

▶ If you checked "**No**" on line 19, **stop**; the taxpayer **cannot** take the EIC. If you checked "**Yes**" on line 19, the taxpayer can take the EIC. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if **Form 8862** must be filed. Go to line 20.

**Part IV Due Diligence Requirements**

**20** Did you complete Form 8867 based on current information provided by the taxpayer or reasonably obtained by you? . . . . .

**Yes**       **No**

**21** Did you complete the EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions (or your own worksheet that provides the same information as the 1040, 1040A, or 1040EZ worksheet)? . . . . .

**Yes**       **No**

**22** If any qualifying child was not the taxpayer's son or daughter, did you ask why the parents were not claiming the child and document the answer? . . . . .

**Yes**       **No**  
 **Does not apply**

**23** If the answer to question 13a is "Yes" (indicating that the child lived for more than half the year with someone else who could claim the child for the EIC), did you explain the tiebreaker rules and possible consequences of another person claiming your client's qualifying child? . . . . .

**Yes**       **No**  
 **Does not apply**

**24** Did you ask this taxpayer any additional questions that are necessary to meet your knowledge requirement? See the instructions before answering . . . . .

**Yes**       **No**  
 **Does not apply**

**To comply with the EIC knowledge requirement, you must not know or have reason to know that any information used to determine the taxpayer's eligibility for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if the information furnished appears to be incorrect, inconsistent, or incomplete. At the time you make these inquiries, you must document in your files the inquiries you made and the taxpayer's responses.**

**25** Did you document the additional questions you asked and your client's answers? . . . . .

**Yes**       **No**  
 **Does not apply**

- 26** Which documents below, if any, did you rely on to determine EIC eligibility for the qualifying child(ren) listed on Schedule EIC? Check all that apply. **Keep a copy of any documents you relied on.** See the instructions before answering. If there is no qualifying child, check box a. If there is no disabled child, check box o.

#### Residency of Qualifying Child(ren)

- |  |   |
|--|---|
| <input type="checkbox"/> <b>a</b> No qualifying child<br><input type="checkbox"/> <b>b</b> School records or statement<br><input type="checkbox"/> <b>c</b> Landlord or property management statement<br><input type="checkbox"/> <b>d</b> Health care provider statement<br><input type="checkbox"/> <b>e</b> Medical records<br><input type="checkbox"/> <b>f</b> Child care provider records<br><input type="checkbox"/> <b>g</b> Placement agency statement<br><input type="checkbox"/> <b>h</b> Social service records or statement | <input type="checkbox"/> <b>i</b> Place of worship statement<br><input type="checkbox"/> <b>j</b> Indian tribal official statement<br><input type="checkbox"/> <b>k</b> Employer statement<br><input type="checkbox"/> <b>l</b> Other (specify) ▼<br>_____<br>_____<br><input type="checkbox"/> <b>m</b> Did not rely on any documents, but made notes in file<br><input type="checkbox"/> <b>n</b> Did not rely on any documents |
|--|---|

#### Disability of Qualifying Child(ren)

- |  |   |
|--|---|
| <input type="checkbox"/> <b>o</b> No disabled child<br><input type="checkbox"/> <b>p</b> Doctor statement<br><input type="checkbox"/> <b>q</b> Other health care provider statement<br><input type="checkbox"/> <b>r</b> Social services agency or program statement | <input type="checkbox"/> <b>s</b> Other (specify) ▼<br>_____<br>_____<br><input type="checkbox"/> <b>t</b> Did not rely on any documents, but made notes in file<br><input type="checkbox"/> <b>u</b> Did not rely on any documents |
|--|---|

- 27** If a Schedule C is included with this return, which documents or other information, if any, did you rely on to confirm the existence of the business and to figure the amount of Schedule C income and expenses reported on the return? Check all that apply. **Keep a copy of any documents you relied on.** See the instructions before answering. If there is no Schedule C, check box a.

#### Documents or Other Information

- |   |   |
|---|---|
| <input type="checkbox"/> <b>a</b> No Schedule C<br><input type="checkbox"/> <b>b</b> Business license<br><input type="checkbox"/> <b>c</b> Forms 1099<br><input type="checkbox"/> <b>d</b> Records of gross receipts provided by taxpayer<br><input type="checkbox"/> <b>e</b> Taxpayer summary of income<br><input type="checkbox"/> <b>f</b> Records of expenses provided by taxpayer<br><input type="checkbox"/> <b>g</b> Taxpayer summary of expenses | <input type="checkbox"/> <b>h</b> Bank statements<br><input type="checkbox"/> <b>i</b> Reconstruction of income and expenses<br><input type="checkbox"/> <b>j</b> Other (specify) ▼<br>_____<br>_____<br><input type="checkbox"/> <b>k</b> Did not rely on any documents, but made notes in file<br><input type="checkbox"/> <b>l</b> Did not rely on any documents |
|---|---|

▶ You have complied with all the due diligence requirements if you:

1. Completed the actions described on lines 20 and 21 and checked **"Yes"** on those lines,
2. Completed the actions described on lines 22, 23, 24, and 25 (if they apply) and checked **"Yes"** (or **"Does not apply"**) on those lines,
3. Submit Form 8867 in the manner required, **and**
4. Keep all five of the following records for 3 years from the latest of the dates specified in the instructions under *Document Retention*:
  - a. Form 8867, Paid Preparer's Earned Income Credit Checklist,
  - b. The EIC worksheet(s) or your own worksheet(s),
  - c. Copies of any taxpayer documents you relied on to determine eligibility for or amount of EIC,
  - d. A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained, and
  - e. A record of any additional questions you asked and your client's answers.

- ▶ If you checked **"No"** on line 20, 21, 22, 23, 24, or 25, you have not complied with all the due diligence requirements and may have to pay a \$500 penalty for each failure to comply.