



Notice 1230

(Rev. February 2001)

CAUTION: To qualify to claim the earned income credit, a dependency exemption, or head of household status, you must meet certain requirements. The major requirements are listed below. However, these requirements do not include every situation. If you have any questions, see the instructions for your tax return or call us at the number listed on the front of the letter.

Part 1 Earned Income Credit

A) GENERAL. You must meet all of the following requirements for the tax year to claim the Earned Income Credit (EIC):

1. You must have **earned income** (such as wages, tips, and self-employment income).
2. You **and** your qualifying child (and your spouse, if you filed a joint return) all must have a valid social security number issued by the Social Security Administration to a U.S. citizen or to a person who has permission from the Immigration and Naturalization Service to work in the United States.
3. Your qualifying child cannot be the qualifying child of another person whose modified adjusted gross income is more than yours.
4. If you are married, you must file a joint return to claim the EIC, unless you meet the requirements to file as head of household. (See **PART 3** below.)
5. You cannot be a nonresident alien for any part of the year.

B) QUALIFYING CHILD. The child must meet all of the following requirements for the tax year to be your qualifying child.

1. The child must be your son, daughter, adopted child, grandchild, great-grandchild, stepchild, or eligible foster child. An eligible foster child is a child whom you care for as you would your own child and who lived with you for the entire year and who is your brother, sister, stepbrother, or stepsister, a descendant of your brother, sister, stepbrother, or stepsister, or a child placed with you by an authorized placement agency.
2. The child must live with you in the United States for more than half of the year (for the entire year if the child is an eligible foster child).
3. The child must be under the age of 19 on December 31, **or** under the age of 24 on December 31, and a full-time student, **or any age** and permanently and totally disabled at any time during the year.

C) NO QUALIFYING CHILD. If you do not have a qualifying child, you must meet all of the following requirements for the tax year, in addition to the requirements in **A)** above.

1. You (**or** your spouse, if you filed a joint return) must be at least age 25 but under age 65 on December 31.
2. You (and your spouse, if you filed a joint return) are not eligible to be claimed as a dependent on another person's return for the year.
3. Your main home (and your spouse's, if you filed a joint return) must be in the United States for more than half of the year.

D) SOCIAL SECURITY NUMBER. You (**and** your spouse, if your filing a joint return) and any qualifying child listed on Schedule EIC each must have a valid Social Security Number (SSN) issued by the Social Security Administration. In the case of an alien, if the Social Security Card says "Not valid for employment," and the SSN was issued so that the person could receive a federally funded benefit, that SSN can not be used when claiming the EIC. You (and your spouse, if you filed a joint return) cannot be a qualifying child of another person.

PART 2 Exemptions for Dependents

A) SUPPORT. You must provided more than half of the total support during the tax year for the person you are claiming as a dependent.

B) DEPENDENT. The person must meet all of the following requirements for the tax year to be claimed as your dependent.

1. The person must live with you as a member of your household for the entire year or must be related to you.
2. The person must be a U.S. citizen or a resident of Canada or Mexico.
3. The person cannot file a joint return for the tax year.
4. The person cannot have gross income over the exemption amount, unless the person is your child and under age 19 on December 31 **or** a full-time student under the age of 24 on December 31.

Part 3 Head of Household Filing Status

To claim this filing status, you must meet all of the following requirements.

1. You must be unmarried on December 31, or, if married, your spouse must not have lived with you at any time during the last six months of the year.
 2. You must pay more than half the cost of keeping up your home for the year.
 3. For more than half the year, your home must be the main home of your unmarried child, grandchild, great-grandchild, or stepchild, or another person for whom you can claim an exemption for the year.
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