



**Number of Qualifying Children:**

Child's first, middle initial, last name (If you have more than two qualifying children, list only two)	Relationship to you (for example: son, daughter, etc.)	Number of months the child lived with you in 2013 (see instructions)	Child's date of birth (mmddyyyy)	Child's Social Security number
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**You must be eligible for the federal earned income credit (EIC) to claim the Minnesota working family credit.** Before you complete this schedule, you must follow the steps in the instructions for the federal return to determine if you can take the federal earned income credit and complete the appropriate federal EIC Worksheet. If you were required to file Schedule M1NC, you may need to recompute your earned income using Minnesota income amounts on the appropriate EIC Worksheet.

**Round amounts to the nearest whole dollar.**

- 1** Enter total earned income from line 1 of EIC Worksheet A, line 6 of Worksheet B, or if you filed 1040A or 1040EZ, line 1 of the EIC worksheet. Include any amount from line 1 of Schedule M1NC. If you completed EIC Worksheet B and had an adjustment on lines 9 through 13 of Schedule M1NC that would change your self-employment income, you must also include that adjustment. . . . . **1** █
- 2** Using the amount on line 1 and the number of qualifying children, find the credit amount using the WFC Table from the M1 instruction booklet (if result is zero, stop here; you do not qualify for this credit) . . . . . **2** █
- 3** **Minnesota** adjusted gross income (from line 37 of Form 1040, line 21 of 1040A or line 4 of 1040EZ. If you were required to file Schedule M1NC, you must enter the amount from line 16 or line 17 of that schedule) (If a negative number, leave blank). . . . . **3** █  
If line 3 is the same as line 1, skip line 4 and enter the amount from line 2 on line 5.
- 4** If you have:
  - no qualifying children, is line 3 less than \$7,970?
  - only one qualifying child, is line 3 less than \$20,830?
  - two or more qualifying children, is line 3 less than \$24,720?

**Yes.** Go to line 5 below.

**No.** Using the amount on line 3 and the number of qualifying children, find the credit amount using the WFC Table from the M1 instruction booklet . . . . . **4** █
- 5** Working family credit amount.
  - If you checked "Yes" on line 4, enter the amount from line 2.
  - If you checked "No" on line 4, enter the amount from line 2 or line 4, **whichever is less** . . . . . **5** █

**Full-year residents:** Also enter this amount on line 26 of Form M1.
- 6** **Part-year residents and nonresidents:** Multiply line 5 by line 25 of Schedule M1NR. Enter the result here and on line 26 of Form M1. However, if your Minnesota gross income is less than \$10,000, see instructions; enter result from step 5 of worksheet in the space below and enter step 7 on line 6 . . . . . **6** █

Step 5 of the worksheet:

- 7** **American Indians working and living on an Indian reservation and taxpayers with JOBZ business income:** Determine from the instructions on the back. Enter the result here and on line 26 of Form M1 . . . . . **7** █

**Include this schedule with your Form M1.**  
**Enter the number of qualifying children in the box provided on line 26 of Form M1.**



# 2013 Schedule M1WFC Instructions

## Who is Eligible?

If you are a Minnesota resident and are eligible for the federal earned income credit (EIC), you may also be eligible for the Minnesota working family credit.

Part-year residents and nonresidents may also be eligible for the credit, which is apportioned by the percentage of income taxable to Minnesota.

Before you can complete Schedule M1WFC, you must:

- 1 follow the steps in the instructions for your federal return to determine if you qualify for the federal EIC, and
- 2 complete the appropriate federal EIC Worksheet.

## Income requirements

Except for the extended income range below, eligibility requirements for the Minnesota working family credit are the same as for the federal earned income credit.

**Extended income range.** Due to federal changes that were not adopted by Minnesota, taxpayers who are at the higher end of the income eligibility range for the federal earned income credit and/or have three or more children may not qualify for the Minnesota working family credit (see chart below).

If either your earned income (line 1 of Schedule M1WFC) or your Minnesota adjusted gross income (line 3 of Schedule M1WFC) is above the following amounts, **you do not qualify for the working family credit.**

## Number of Qualifying Children

Number of Qualifying Children	Income Limit
No children	\$14,350
One child	\$37,815
Two or more children	\$42,963

## Information on Qualifying Children

Near the top of Schedule M1WFC, check a box to indicate the total number of qualifying children. Enter the requested information for each qualifying child. If you have more than two qualifying children, list only two.

Enter the number of months the child lived with you during the year. If the child lived with you in the United States for more than half of the year but less than seven months,

enter "7" in the space provided. If the child was born or died in 2013 and your home was the child's home for the entire time he or she was alive during the year, enter "12."

Enter the number of qualifying children in the space provided on Form M1, line 26.

## Penalty for Fraudulently Claiming A Refundable Credit

If you file a return that fraudulently claims a refundable credit, including the Minnesota working family credit, you will be assessed a penalty. The penalty is 50 percent of the fraudulently claimed refund and is in addition to the 50 percent penalty on the understated tax.

## Line Instructions

Round amounts to the nearest whole dollar.

### Line 6

**Part-year residents and nonresidents**  
**If your Minnesota gross income is below the filing requirement,** and you are filing Form M1 to claim this credit, you should have entered zero on line 23 of Schedule

M1NR. However, to correctly determine your credit, you must first fully complete Schedule M1NR, by following the line instructions, to determine what the amounts would have been, and then follow the worksheet below to determine line 6.

## Line 7 American Indians working and living on an Indian reservation and taxpayers with JOBZ business income

The working family credit is based only on earned income taxable to Minnesota. Therefore, you must apportion your credit if you are a Minnesota resident and:

- are an American Indian working and living on a reservation and had earned income not subject to Minnesota tax, or
- claimed a subtraction for income from operating a qualified business in a Job Opportunity Building Zone.

To apportion your working family credit, follow the worksheet below to determine line 7.

### Worksheet for Line 6 (for nonresidents and part-year residents whose Minnesota gross income is less than \$10,000)

- 1 Line 11, column B, of Schedule M1NR .....
- 2 Line 22, column B, of Schedule M1NR .....
- 3 Subtract step 2 from step 1. (If result is zero or less, stop here. You do not qualify for the credit) .....
- 4 Line 24 of Schedule M1NR .....
- 5 Divide step 3 by step 4 and enter the result as a decimal (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Also enter the result on the space provided on line 6 of Schedule M1WFC .....
- 6 Amount from line 5 of Schedule M1WFC .....
- 7 Multiply step 5 by step 6. Also enter the result on line 6 of Schedule M1WFC and on line 26 of Form M1 .....

### Worksheet for Line 7

- 1 Minnesota adjusted gross income (from line 3 of Schedule M1WFC) .....
- 2 Earned income that is *not* taxable to Minnesota .....
- 3 Subtract step 2 from step 1 .....
- 4 Divide step 3 by step 1 and enter the result as a decimal (carry to five decimal places) .....
- 5 Amount from line 5 of Schedule M1WFC .....
- 6 Multiply step 5 by step 4. Also enter the result on line 7 of Schedule M1WFC and on line 26 of Form M1 .....