

2015 Schedule M1WFC, Minnesota Working Family Credit

Sequence #4

First Name and Initial, Last Name, Social Security Number

Number of Qualifying Children: None, One, Two or More

Table with 5 columns: Child's first, middle initial, last name; Relationship to you; Number of months the child lived with you in 2015; Child's date of birth; Child's Social Security number.

To claim this credit, you must be:

- a full- or part-year resident of Minnesota, AND
eligible for the federal earned income credit (EIC)

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.

Round amounts to the nearest whole dollar.

Steps 1-7 for calculating the credit amount, including instructions for federal Form 1040, EIC Worksheet, and working family credit amount.

Include this schedule with your Form M1.

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

2015 Schedule M1WFC Instructions

What's new for 2015?

As a result of recent legislation, full-year nonresidents are no longer eligible for the Minnesota working family credit.

Am I eligible?

You may be eligible for the Minnesota working family credit if:

- You were a full-year or part-year resident of Minnesota in 2015, and
- Are eligible for the federal earned income credit (EIC).

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

If you have one or two qualifying children on federal Schedule EIC, the income requirements for the Minnesota working family credit are the same as the federal earned income credit.

If you have three qualifying children on federal Schedule EIC, you qualify for the Minnesota working family credit unless your income is above the following amount based on your filing status:

Filing Status	Income Limit
Married-joint returns	\$49,900
Other than married filing joint	44,400

Information on Qualifying Children

Near the top of Schedule M1WFC, check the box that indicates 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 2015 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

The credit for part-year residents is determined using the percentage of income taxable to Minnesota.

If your 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. To correctly determine your credit, you must:

1. Fully complete Schedule M1NR by following the line instructions
2. Use the worksheet for line 6 (below)

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 part-year residents whose Minnesota gross income is less than \$10,300) Note: full-year nonresidents are no longer eligible for this credit, and should not use this worksheet.

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	Federal 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	_____