



2023 Schedule M1CWFC, Minnesota Child and Working Family Credits

To claim this credit, you must be a full- or part-year resident of Minnesota. If you are a full-year nonresident, you are not eligible for this credit. Do not complete Schedule M1CWFC if you have a 2-year or 10-year IRS ban or are otherwise restricted from claiming the federal EIC.

TAXPAYER'S 1ST NAME, IN: TAXPAYER'S LAST NAMEXXXXXXXXXXXXX 999999999
Your First Name and Initial Last Name Your Social Security Number

Round amounts to the nearest whole dollar.

- 1 Enter the amount from line 1 of Form M1. 1 12345678
2 Enter your total earned income (see instructions) 2 12345678
3 If line 2 is greater than \$8,750, enter \$8,750. Otherwise enter the amount from line 2. 3 12345678
4 Multiply line 3 by 4% (.04). 4 12345678
5 Credit for Qualifying Older Children: If you have: 5 12345678
- One qualifying older child, enter \$925
- Two qualifying older children, enter \$2,100
- Three or more qualifying older children, enter \$2,500
6 Add lines 4 and 5 6 12345678
7 Number of qualifying children (see instructions) 7 12345678
8 Multiply line 7 by \$1,750. 8 12345678
9 Add lines 6 and 8 9 12345678
10 Enter the greater of line 1 or 2 10 12345678
11 Enter \$35,000 if married filing jointly or \$29,500 for any other filing status 11 12345678
12 If line 10 is less than line 11, see instructions. Otherwise, subtract line 11 from line 10. 12 12345678
13 If you had an amount on line 5 but not on line 8, enter 9%(.09). Otherwise enter 12%(0.12). 13 12345678
14 Multiply line 12 by line 13. 14 12345678
15 Subtract line 14 from line 9. If less than zero, enter 0. If you are a full year resident, enter this amount on line 2 of Schedule M1REF. 15 12345678
16 Part year residents: If your Minnesota gross income is: 16 12345678
- \$13,825 or more, multiply line 15 by line 30 of Schedule M1NR. Enter the result here and on line 2 of Schedule M1REF
- Less than \$13,825, see instructions
Enter the result from step 5 of the Worksheet for line 16: 123456

Include this schedule with your Form M1. Enter the number of qualifying children on line 2a and the number of qualifying older children on line 2b of Schedule M1REF.

2022 Schedule M1CWFC Instructions

Purpose of this schedule

Use this schedule to determine the amount of your Minnesota Working Family Credit and Child Tax Credit for 2023. You must complete Schedule M1DQC, *Dependents and Qualifying Children*, to determine who is a qualifying child and qualifying older child.

What's new?

The Working Family Credit is four percent of your first \$8,750 of earned income plus an additional amount for up to three qualifying older children. See Schedule M1DQC to determine who is a qualifying older child. For 2023, the maximum working family credit is:

- \$350 with zero qualifying older children
- \$1,275 with one qualifying older child
- \$2,450 with two qualifying older children
- \$2,850 with three or more qualifying older children

The Minnesota Child Tax Credit is \$1,750 for each qualifying child under the age of 18. See Schedule M1DQC to determine who you may claim as a qualifying child for the child tax credit.

The Working Family Credit and Child Tax Credit are reduced when your adjusted gross income exceeds \$29,500 (\$35,000 if married filing jointly). The amount of the credit is reduced by 12 percent of AGI that exceeds the limit. If you had at least one qualifying older child but no qualifying child for the child tax credit, your credit is reduced by nine percent of AGI exceeding the limit.

If you, your spouse (if married and filing a joint return) or your qualifying children do not have a Social Security Number, you may use an Individual Taxpayer Identification Number (ITIN) to claim these credits.

Am I eligible?

You must meet all of these requirements to be eligible to claim the Minnesota Working Family and Child Tax credits:

- You were a full-year or part-year resident of Minnesota in 2023 (if you are a member of the military, see below)
- You have investment income less than \$11,000 (if you have investment income greater than \$11,000 complete step 2 in the instructions for line 27 of Form 1040 to determine if you are eligible to claim the credits on this schedule)
- You are not a dependent of another person
- If you have no qualifying children on rows 10 and 11 of Schedule M1DQC, you or your spouse must be between the ages of 19 and 64
- If you have no qualifying children rows 10 and 11 of Schedule M1DQC, you and your spouse's main residence was in the United States for more than half of 2023
- If you are married and you or your spouse are a nonresident alien, your filing status must be Married Filing Jointly

You are **not** eligible if any of these apply:

- You have a 2-year or 10-year IRS ban on claiming the federal Earned Income Credit (EIC)
- You are the dependent or qualifying child of another person
- Your filing status is Married Filing Separately

Earned income does not include:

- Any amount included on line 1z of Form 1040 or 1040-SR that is a taxable scholarship or fellowship grant not reported on a Form W-2
- Any amount included on line 1z of Form 1040 or 1040-SR that you received for work performed while an inmate in a penal institution, or
- Any amount included on line 1z of Form 1040 or 1040-SR that you received as a pension or annuity from a nonqualified deferred compensation plan or nongovernmental section 457 plan

Treatment of military personnel stationed outside Minnesota

If you are a member of the Armed Forces, you will be treated as if you resided in Minnesota during any period which you are stationed outside the United States while serving on extended active duty with the U.S. Armed Forces. "Extended active duty" means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period. You must otherwise be a resident of Minnesota. You may include nontaxable combat pay as earned income.

Is there a penalty for fraudulently claiming a refund?

Yes. If you file a return that fraudulently claims a credit that results in a refund, you may be assessed a penalty equal to 50% of the portion of the refund attributable to fraud. If a fraudulently claimed credit reduced your tax liability, you may also be assessed a penalty equal to 50% of the unpaid tax.

Line Instructions

Round amounts to the nearest whole dollar.

Line 2

Use the Worksheet for Earned Income on the next page to determine the amount for line 2. You must use your 2023 earned income when completing this worksheet.

Worksheet for Earned Income

- 1 Line 1z of federal Form 1040 or 1040-SR. Church employees and clergy, see instructions below for Step 1
- 2 Enter all of your nontaxable combat pay if you elect to include it in earned income
- 3 Add steps 1 and 2. If you were self-employed, filing federal Schedule SE as a member of the clergy, had church employee income, or are filing federal Schedule C as a statutory employee, continue to step 4. Otherwise, enter the result of step 3 on line 2 of this schedule
- 4 Use the amount from step 3 of this worksheet on line 4a of Worksheet B from the instruction for line 27 of Form 1040. Complete Worksheet B in the federal instructions and enter the amount from Step 6 of EIC Worksheet B on line 2 of this schedule.

Instructions for Worksheet for Earned Income

Step 1

If you are a church employee, determine how much was reported on both line 1z of Form 1040 or 1040-SR and line 5a of federal Schedule SE. Subtract the amount reported on both lines from the amount reported on line 1z of Form 1040 or 1040-SR. Enter the result on Step 1.

If you are a minister, a member of a religious order that has not taken a vow of poverty, or a Christian Science Practitioner, determine the amount reported on both line 1 of Form 1040 or 1040-SR and line 2 of federal Schedule SE. Subtract the amount that was reported on both lines from the amount reported on line 1z of Form 1040 or 1040-SR. Enter the result on Step 1.

Line 5

You must complete Schedule M1DQC to determine which of your qualifying children are eligible to be claimed as a qualifying older child on line 5. Use the information from that schedule to determine what amount to enter on line 5.

Line 7

You must complete Schedule M1DQC to determine who is a qualifying child for the Minnesota Child Tax Credit. Enter the number of boxes checked from Row 10 of Schedule M1DQC on line 7 of this schedule.

Line 12

If line 10 is less than line 11, skip line 13 and use the amount from line 9 on line 15.

Line 16

If you are a part-year resident, you will determine your credit using your percentage of income taxable to Minnesota.

If your gross income is less than \$13,825, you should have entered zero on line 28 of Schedule M1NR, Nonresidents/Part-Year Residents. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 16 below.

Worksheet for Line 16 (for part-year residents whose Minnesota gross income is less than \$13,825

Note: If you are a full-year nonresident, do not use this worksheet. You are not eligible for this credit.

- 1 Line 15, column B, of Schedule M1NR
- 2 Line 27, 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 29 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. Enter the result on the space provided on line 16 of this schedule
- 6 Amount from line 15 of Schedule MICWFC
- 7 Multiply step 5 by step 6. Enter the result on line 16 of Schedule MICWFC and on line 2 of Schedule M1REF