

Earned Income Look Back

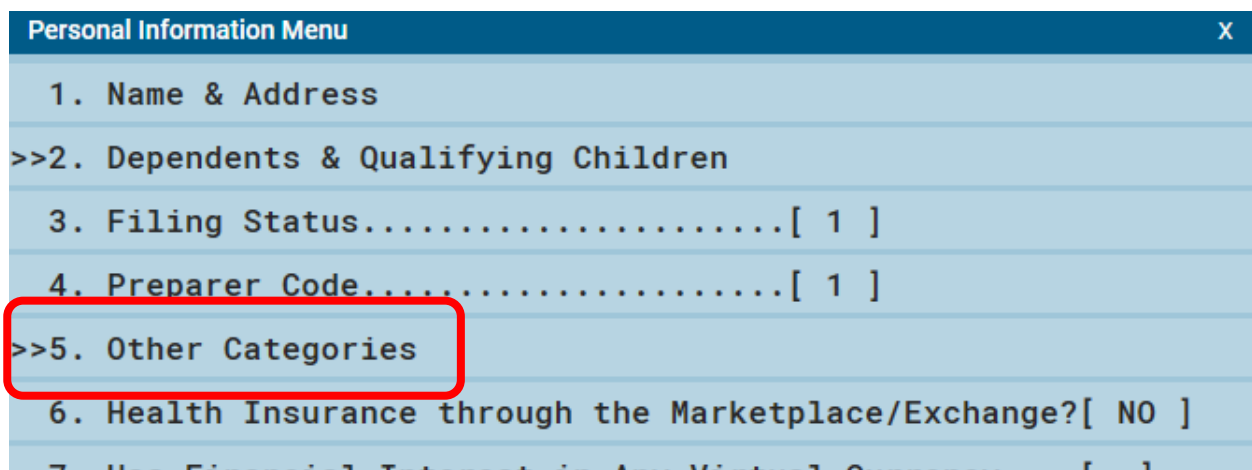
For EIC and CTC

What is it?

The “Look-Back” provision in the new relief bill allows them to receive EITC (and also the Child Tax Credit) based on their 2019 earned income if it would be more beneficial.

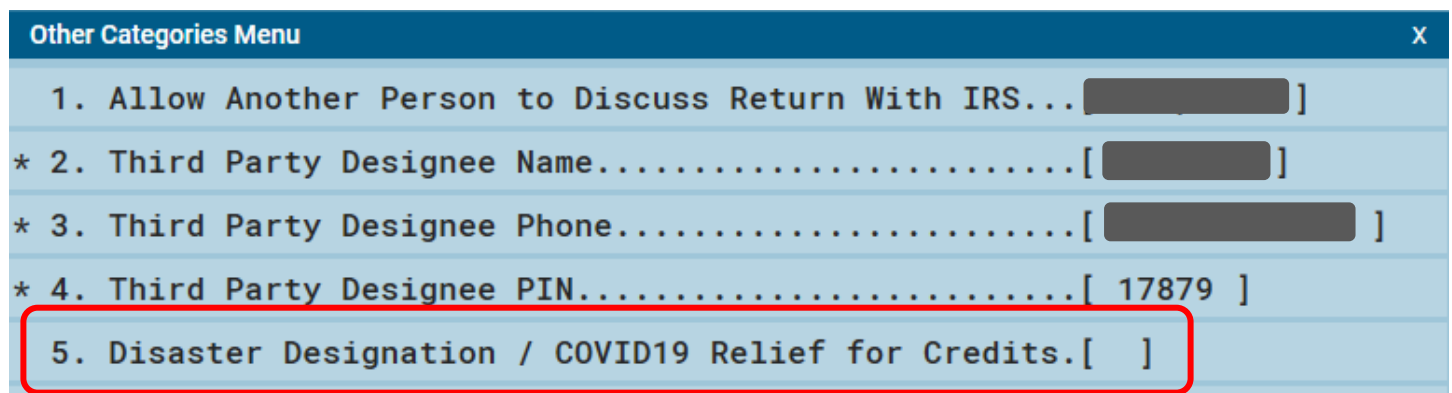
Option Location

From the Personal Information Menu, Select; >>5. Other Categories as pictured below:



A screenshot of a software menu titled "Personal Information Menu" with a close button (X) in the top right corner. The menu contains several options, each with a number and a description. The option ">>5. Other Categories" is highlighted with a red rectangular box. Other visible options include "1. Name & Address", ">2. Dependents & Qualifying Children", "3. Filing Status.....[1]", "4. Preparer Code.....[1]", "6. Health Insurance through the Marketplace/Exchange?[NO]", and "7. Use Financial Interest in Any Virtual Currency [1]".

Under the Other Categories Menu, Select 5. Disaster Designation / Covid19 Relief for Credits.



A screenshot of a software menu titled "Other Categories Menu" with a close button (X) in the top right corner. The menu contains several options, each with a number and a description. The option "5. Disaster Designation / COVID19 Relief for Credits.[]" is highlighted with a red rectangular box. Other visible options include "1. Allow Another Person to Discuss Return With IRS... []", "* 2. Third Party Designee Name.....[]", "* 3. Third Party Designee Phone.....[]", and "* 4. Third Party Designee PIN.....[17879]".

As the instructions indicate, Type COVID19 if you intend to use prior year earned income for the calculation of certain credits.

Enter the disaster designation code or enter COVID19 for electing to use prior year earned income for certain credits.

Disaster Designation: COVID19

Answer the Question:

Question

X

Was your main home or the main home of your spouse if filing jointly was located in one of the federally declared disaster zones (or the disaster area outside of the disaster zone if you, and your spouse if filing jointly, were displaced from the main home due to the disaster) during any portion of that disaster's incident period?

OR

Is the taxpayer electing to use their prior year earned income for the Earned Income Credit and/or Child Tax Credit?

YES

NO

Provide the Taxpayers Prior Year Earned Income and click Ok.

| Prior Year Earned Income/Nontaxable Combat Pay for Disaster Victims | | X |
|---|---|---|
| Prior Year Earned Income..... | : | 0 |
| Taxpayer's Prior Year Nontaxable Combat Pay..... | : | 0 |

Ok Cancel

5. Disaster Designation / COVID19 Relief for Credits. [COVID19]

Exit the Menu and the software will apply the provided \$amount for the calculation of EITC and CTC if applicable.