



2016 Instructions for Schedule 8812

Child Tax Credit

Use Part I of Schedule 8812 to document that any child for whom you entered an ITIN on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and for whom you also checked the box in column 4 of that line, is a resident of the United States because the child meets the substantial presence test and is not otherwise treated as a nonresident alien.

Use Parts II–IV of Schedule 8812 to figure the additional child tax credit. The additional child tax credit may give you a refund even if you do not owe any tax.

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Schedule 8812 and its instructions, such as legislation enacted after they were published, go to IRS.gov/schedule8812.

What's New

Taxpayer identification number needed by due date of return. If you do not have a social security number (SSN) or IRS individual taxpayer identification number (ITIN) by the due date of your 2016 return (including extensions), you cannot claim the child tax credit or the additional child tax credit on either your original or an amended 2016 return, even if you later get an SSN or ITIN. Also, neither credit is allowed on either your original or an amended 2016 return for a child who does not have an SSN, ITIN, or IRS adoption taxpayer identification number (ATIN) by the due date of your return (including extensions), even if that child later gets one of those numbers.

If you apply for an ATIN or ITIN on or before the due date of your 2016 return (including extensions) and the IRS issues you an ATIN or ITIN as a result of the application, the IRS will consider your ATIN or ITIN as issued on or before the due date of your return.

Refunds for 2016 tax returns claiming EIC or ACTC cannot be issued before Feb. 15, 2017. Due to changes in the law, if you claim the earned income tax credit (EIC) and/or the additional child tax credit (ACTC) on your income tax return, the IRS cannot issue your refund before February 15. This applies to the entire refund, not just the portion associated with the EIC or ACTC. Hardship claims for these refunds will not be accepted prior to Feb. 15, as this refund hold is required by law.

The IRS will begin accepting and processing tax returns once the filing season begins. Check *Where's My Refund?* on IRS.gov after February 15 for your personalized refund status. It's updated once a day and remains the best way to check the status of your refund.

New 2- and 10-year bans for disregarding CTC or ACTC rules. If you claim the CTC or ACTC even though you are not eligible, you may not be allowed to claim these credits for up to 10 years. See [Improper Claims](#), later.

Reminder

If you file Form 2555 or Form 2555-EZ. If you file Form 2555 or Form 2555-EZ to claim the foreign earned income exclusion, housing exclusion, or housing deduction, you cannot claim the additional child tax credit. Complete Part I, but do not complete Parts II–IV.

General Instructions

Who Should Use Part I

You only need to complete Part I if you are claiming the child tax credit for a child identified by an IRS individual taxpayer identification number (ITIN). An ITIN is for tax use only and may expire under certain conditions. See the Instructions for Form W-7 for details. When completing Part I, only answer the questions with regard to children identified by an ITIN; you do not need to complete Part I of Schedule 8812 for any child that is identified by a social security number (SSN) or an IRS adoption taxpayer identification number (ATIN).



If all the children for whom you checked the box in column 4 of line 6c on your Form 1040 or Form 1040A or column 4 of line 7c on your Form 1040NR are identified by an SSN or an ATIN, you do not need to complete Part I of Schedule 8812.

Who Should Use Parts II–IV

Parts II–IV are unrelated to Part I. Parts II–IV help you figure your additional child tax credit. Generally, you should only complete Parts II–IV if you are instructed to do so after completing the Child Tax Credit Worksheet in your tax return instructions or Pub. 972.



If all your children are identified by an SSN or an ATIN and you are not claiming the additional child tax credit, you do not need to complete any part of Schedule 8812.

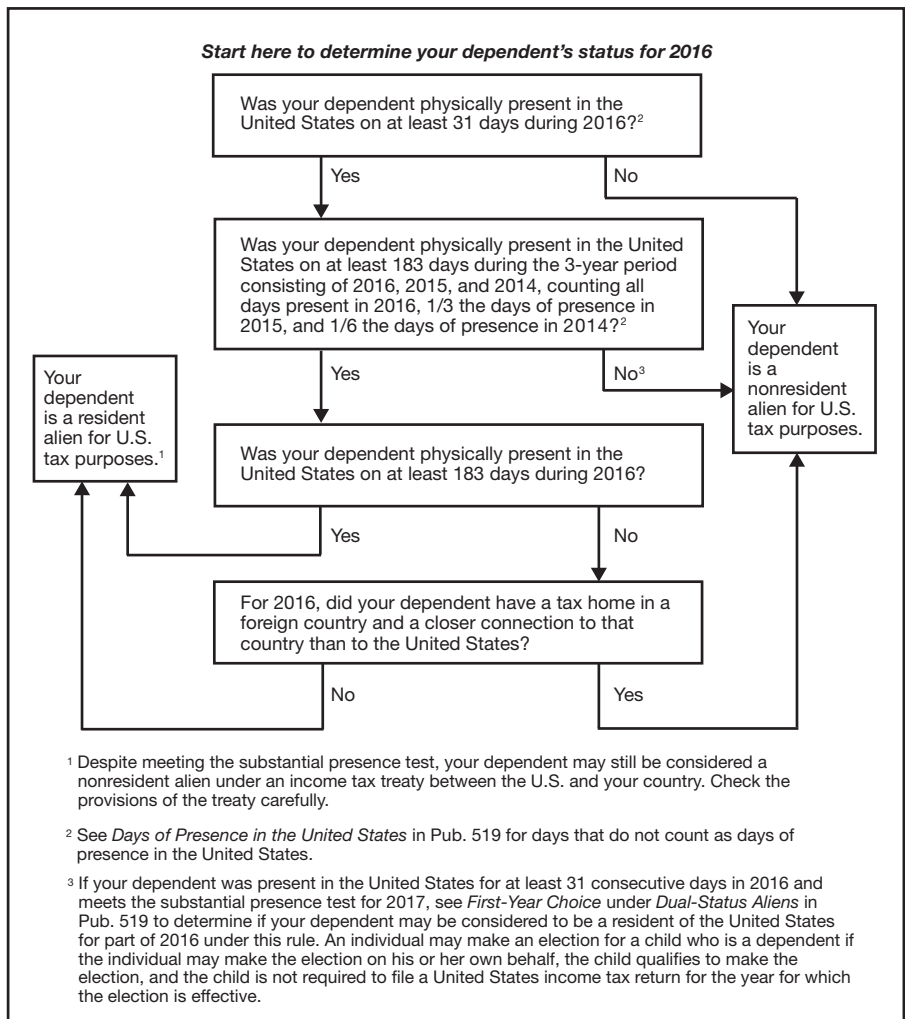
Improper Claims

If you claim the child tax credit (CTC) or additional child tax credit (ACTC), but you are not eligible for either credit and it is later determined that your error was due to reckless or intentional disregard of the CTC or ACTC rules, you will not be allowed to claim either credit for 2 years. If it is determined that your error was due to fraud, you will not be allowed to claim either credit for 10 years. You may also have to pay penalties.

Substantial Presence Test (Part I)

In general, to be a qualifying child for purposes of the child tax credit and additional child tax credit, the child must be a citizen, national, or resident of the United States. Use Part I of Schedule 8812 to document that any child for whom an IRS Individual Taxpayer Identification Number (ITIN) was entered on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and for whom the box in column 4 of that line was also checked,

Is Your Dependent (Identified by an ITIN) Considered a Resident of the United States Under the Substantial Presence Test?



meets the substantial presence test and is not otherwise treated as a nonresident alien.

Note. A child who is a lawful permanent resident of the United States is eligible to obtain a social security number (SSN). Use an SSN to identify the child even if you obtained an ITIN for the child before the child became a lawful permanent resident.

To meet the substantial presence test, a child identified with an ITIN generally must be physically present in the United States on at least:

1. 31 days during 2016, and
2. 183 days during the 3-year period that includes 2016, 2015, and 2014, counting:
 - a. All the days your child was present in 2016, and
 - b. 1/3 of the days your child was present in 2015, and
 - c. 1/6 of the days your child was present in 2014.

Not all days that your dependent is physically present in the United States count as days of presence for the substantial presence test. See Days of Presence in the United States in Pub. 519.



A child who is present in the United States for less than one-half of 2016 also must not have a closer connection to a foreign country. See Pub. 519 for more information. Also, see the chart, [Is Your Dependent \(Identified by an ITIN\) Considered a Resident of the United States Under the Substantial Presence Test](#).

Additional Child Tax Credit (Parts II–IV)



If you file Form 2555 or Form 2555-EZ, do not complete Parts II–IV. You cannot claim the additional child tax credit.

If any of your dependents is a qualifying child for purposes of the child tax credit

(whether identified by an ITIN or not), you may qualify for the additional child tax credit. Before completing Parts II–IV of Schedule 8812, complete the Child Tax Credit Worksheet that applies to you. See the instructions for Form 1040, line 52; Form 1040A, line 35; or Form 1040NR, line 49. If you meet the condition given in the TIP at the end of the Child Tax Credit Worksheet, complete Parts II–IV of this schedule to figure the amount of any additional child tax credit you can claim.

Effect of Credit on Welfare Benefits

Any refund you receive as a result of taking the additional child tax credit cannot be counted as income when determining if you or anyone else is eligible for benefits or assistance, or how much you or anyone else can receive, under any federal program or under any state or local program financed in whole or in part with federal funds. These programs include Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), and Supplemental Nutrition Assistance Program (food stamps). In addition, when determining eligibility, the refund cannot be counted as a resource for at least 12 months after you receive it. Check with your local benefits coordinator to find out if your refund will affect your benefits.

Specific Instructions

Part I

Lines A through D. If you identified any of your dependents using an ITIN on your Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and you also checked the box in column (4) of that line for that dependent, you must determine if that dependent meets the substantial presence test and is not otherwise treated as a nonresident alien. Complete Line A for the first dependent listed on your Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c, who has an ITIN and that you indicated qualified for the child tax credit by checking the box in column (4). Use a separate line for each additional child identified by an ITIN for whom you checked the box in column (4).

Do not complete a line in Part I for a child if:

- You identified that child with an SSN or ATIN on the tax return, or

• You did not check the box in column 4 of line 6c on your Form 1040 or Form 1040A, or line 7c of your Form 1040NR.

If you only check “No” on any line in Part I, your child tax credit or additional child tax credit may be reduced or eliminated.

Child otherwise treated as a nonresident alien. Even if your child meets the substantial presence test, your child may still be treated as a nonresident alien due to a tax treaty or because the child has a closer connection to another country. See Pub. 519 for more details.

If you must complete Part I for a child and that child meets the substantial presence test, but is still treated as a nonresident alien, check the “No” box for that child.

Special circumstances. Even if your child does not meet the substantial presence test, your child may meet an exception or be treated as a resident of the United States in certain circumstances. If your child does not meet the substantial presence test, but one of

the following special circumstances applies, check both the “Yes” and “No” boxes for that child.

• **First-year election.** If your child was present in the United States for at least 31 consecutive days in 2016 and meets the substantial presence test for 2017, your child may be considered a resident of the United States for part of 2016 if you make a valid election. See *First-Year Choice* under *Dual-Status Aliens* in Pub. 519.

• **Child adopted by U.S. citizen or national.** A child legally adopted by you or lawfully placed with you for legal adoption is not required to meet the substantial presence test if you are a citizen or national of the United States, and, for your entire tax year, the child has the same main home as you and is a member of your household.

More than four children. If you must complete Part I for more than four children, check the box following Line D. Use page 1 of another Schedule 8812 and reletter Lines A–D in Part I as E–H. Complete the addi-

tional Part I of Schedule 8812 and attach it to your Schedule 8812.

Parts II–IV

Line 4a — Earned Income Chart. Use the chart, later, to determine the amount to enter on line 4a.

Line 4b — Nontaxable Combat Pay. Enter on line 4b the total amount of nontaxable combat pay that you, and your spouse if filing jointly, received in 2016. This amount should be shown in Form W-2, box 12, with code Q.

Line 7 — Additional Medicare Tax and Tier 1 RRTA Tax. Use the [Line 7 Worksheet](#) to figure the amount to enter on line 7 if your employer withheld or you paid Additional Medicare Tax or tier 1 RRTA tax.

Line 10 — 1040A Filers. If you, or your spouse if filing jointly, had more than one employer for 2016 and total wages of over \$118,500, figure any excess social security and tier 1 RRTA taxes withheld. Include any excess on Schedule 8812, line 10. For more information, see Pub. 505.

Earned Income Chart — Line 4a

IF you...	AND you...	THEN enter on line 4a...								
have net earnings from self-employment	use either optional method to figure those net earnings,	the amount figured using the <i>1040 and 1040NR Filers — Earned Income Worksheet</i> in Pub. 972 (even if you are also taking the EIC).								
are taking the EIC on Form 1040, line 66a, or Form 1040A, line 42a	completed Worksheet B of the EIC instructions in your Form 1040 instructions,	your earned income from Worksheet B, line 4b, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC. If you were a member of the clergy, subtract (a) the rental value of a home or the nontaxable portion of an allowance for a home furnished to you (including payments for utilities), and (b) the value of meals and lodging provided to you, your spouse, and your dependents for your employer’s convenience.								
	did not complete Worksheet B or filed Form 1040A,	your earned income from Step 5 of the EIC instructions in your tax return instructions, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC.								
are not taking the EIC	were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee,	the amount figured using the <i>1040 and 1040NR Filers — Earned Income Worksheet</i> in Pub. 972.								
	are not self-employed or filing Schedule SE, C, or C-EZ for the above reasons,	<p>your earned income figured as follows:</p> <p>Line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR.</p> <p>Subtract, if included on line 7 (line 8 for Form 1040NR), any:</p> <ul style="list-style-type: none"> • Taxable scholarship or fellowship grant not reported on a Form W-2. • Amount received for work performed while an inmate in a penal institution (put “PRI” and the amount subtracted in the space next to line 7 of Form 1040 or 1040A (line 8 for Form 1040NR)). • Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (put “DFC” and the amount subtracted in the space next to line 7 of Form 1040 or Form 1040A (line 8 for Form 1040NR)). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity. • Medicaid waiver payment you excluded from income (see instructions for Form 1040, line 21, and Pub. 525 for information about these payments). <p>Add all your nontaxable combat pay from Form(s) W-2, box 12, with code Q.</p> <div style="text-align: right; margin-top: 10px;"> <table style="border-collapse: collapse; margin-left: auto;"> <tr> <td style="border: none;">_____</td> <td style="border: none;">-</td> <td style="border: none;">_____</td> </tr> <tr> <td style="border: none;">_____</td> <td style="border: none;">+</td> <td style="border: none;">_____</td> </tr> <tr> <td style="border: none;">Earned Income =</td> <td style="border: none;"></td> <td style="border: 1px solid black; width: 100px; height: 20px;"></td> </tr> </table> </div>	_____	-	_____	_____	+	_____	Earned Income =	
_____	-	_____								
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Earned Income =										

Line 7 Worksheet

Keep for Your Records



If your employer withheld or you paid Additional Medicare Tax or Tier 1 RRTA taxes, use this worksheet to figure the amount to enter on line 7.

Social security tax, Medicare tax, and Additional Medicare Tax on Wages.

- 1. Enter the social security tax withheld (Form(s) W-2, box 4) 1.
- 2. Enter the Medicare tax withheld (Form(s) W-2, box 6). Box 6 includes any Additional Medicare Tax withheld 2.
- 3. Enter any amount from Form 8959, line 7 3.
- 4. Add lines 1, 2, and 3 4.
- 5. Enter the Additional Medicare Tax withheld (Form 8959, line 22) 5.
- 6. Subtract line 5 from line 4 6.

Additional Medicare Tax on Self-Employment Income.

- 7. Enter one-half of the Additional Medicare Tax, if any, on self-employment income (one-half of Form 8959, line 13) 7.

Tier 1 RRTA taxes as an employee of a railroad (enter amounts on lines 8, 9, 10, and 11) **or employee representative** (enter amounts on lines 12, 13, 14, and 15). Do not include amounts in Form W-2, box 14 that are identified as Additional Medicare Tax or Tier 2 tax. Do not include amounts shown on Form CT-2 on line 3 for Additional Medicare Tax or line 4 for Tier 2 tax.

- 8. Enter the Tier 1 tax (Form(s) W-2, box 14) 8.
- 9. Enter the Medicare Tax (Form(s) W-2, box 14) 9.
- 10. Enter the Additional Medicare Tax, if any, on RRTA compensation as an employee (Form 8959, line 17). Do not use the same amount from Form 8959, line 17 for both this line 10 and line 14 10.
- 11. Add lines 8, 9, and 10 11.
- 12. Enter one-half of Tier 1 tax (one-half of Forms CT-2, line 1 for all 4 quarters of 2016) 12.
- 13. Enter one-half of Tier 1 Medicare tax (one-half of Forms CT-2, line 2 for all 4 quarters of 2016) 13.
- 14. Enter one-half of the Additional Medicare Tax, if any, on RRTA compensation as an employee representative (one-half of Form 8959, line 17). Do not use the same amount from Form 8959, line 17 for both this line 14 and line 10 14.
- 15. Add lines 12, 13, and 14 15.

Line 7 Amount

- 16. Add lines 6, 7, 11, and 15. Enter here and on Schedule 8812, line 7 16.