## 2017 Instructions for Schedule 8812

## Child Tax Credit

Part I of Schedule 8812 documents that any qualifying child whom you identify with an ITIN is a resident of the United States. Use Part I for 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.

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

Disaster tax relief. Disaster tax relief was enacted for those impacted by certain Presidentially declared disasters, including an election to use prior year earned income (or prior year social security taxes if a resident of Puerto Rico) when figuring the additional child tax credit. See Pub. 976, Disaster Relief, for more information.

## Reminders

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 2017 return (including extensions), you cannot claim the child tax credit (CTC) or the additional child tax credit (ACTC) on either your original or an amended 2017 return, even if you later get an SSN or ITIN. Also, neither credit is allowed on either your original or an amended 2017 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 2017 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.

Delayed refund for returns claiming ACTC. The IRS can't issue refunds before mid-February 2018 for returns that properly claimed the ACTC. This applies to the entire refund, not just the portion associated with the ACTC. The IRS expects that the earliest an ACTC related refund will be available in a taxpayer's bank account or on a debit card is February 27, 2018, if the taxpayer chooses direct deposit and there are no other issues with the tax return.

## 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).

TIPIf all the children for whom you checked the box in column 4 of line $6 c$ 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 IIIV 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.

TIPIf 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 the 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.
Form $\mathbf{8 8 6 2}$ may be required. If your 2016 CTC or ACTC was reduced or disallowed for any reason other than a math or clerical error, you must complete and attach Form 8862 to your tax return to claim the credit this year.

## 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. Part I of Schedule 8812 documents that any qualifying child whom you identify with an ITIN is a resident of the United States. Use Part I for any child for whom an IRS Individual Taxpayer Identification Number (ITIN) was entered on Form 1040, line 6c; Form 1040A, line 6 c ; or Form 1040 NR, line 7 c ; and for whom the box in column 4 of that line was also checked.

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.

Is Your Dependent (Identified by an ITIN) a Resident of the United States?


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 2017 , and
2. 183 days during the 3 -year period that includes 2017, 2016, and 2015, counting:
a. All the days your child was present in 2017, and
b. $1 / 3$ of the days your child was present in 2016, and
c. $1 / 6$ of the days your child was present in 2015.


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 2017 also must not have a closer connection to a foreign country. See Pub. 519 for more infor-
mation. Also, see the chart, Is Your Dependent (Identified by an ITIN) a Resident of the United States.

## Additional Child Tax Credit (Parts II-IV)

$\Delta$If you file Form 2555 or Form 2555-EZ, do not complete Parts IIIV. 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 1040 A , line 35 ; or Form 1040 NR, 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 <br> 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 1040 NR, line 7 c ; 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 6 c ; 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 6 c 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 2017 and meets the substantial presence test for 2018, your child may be considered a resident of the United States for part of 2017 if you make a valid election. See First-Year Choice under Du-al-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 additional Part I of Schedule 8812 and attach it to your Schedule 8812.

## Parts II-IV

Line $\mathbf{4 a}$ - Earned Income. Use the Earned Income Chart, later, to determine the amount to enter on line 4 a. If your main home was located in a Presidentially declared disaster area, see Election to use prior year earned income next before using the chart.
Election to use prior year earned income. You may be able to use your 2016 earned income on line 4a to figure your additional child tax credit. You can make this election if both of the following apply.

1. Your 2016 earned income was greater than your 2017 earned income. Use the Earned Income Chart, later, twice-once with 2017 amounts and once with 2016 amounts to see if your 2016 earned income is greater than your 2017 earned income.
2. Your main home or the main home of your spouse if filing jointly was located in one of the Presidentially declared disaster areas eligible for this relief on the specified date. For details, including the specified dates and descriptions of the disaster areas eligible for this relief, see Pub. 976.

To make this election, enter "PYEI" and the amount of your 2016 earned income in the space next to Form 1040, line 67; Form 1040A, line 43; or Form 1040NR, line 64, unless you are also claiming the earned income tax credit (EIC). If you are claiming both the EIC and the additional child tax credit, then you only need to enter "PYEI" and the amount of your 2016 earned income in the space next to Form 1040, line 66a, or Form 1040A, line 42a. For more information, see Pub. 976.

©If you claimed the ACTC in 2016, you also can find your 2016 earned income on line 4 a of your 2016 Schedule 8812.

AIf you elect to use your 2016 earned income for the EIC on Form 1040, line 66a, or Form 1040A, line 42a, you must use your 2016 earned income to figure the additional child tax credit.

Residents of Puerto Rico. If you aren't required to file Form 1040, then don't use Schedule 8812. Instead, use Form $1040-\mathrm{SS}$ or Form 1040-PR. If you are required to file Form 1040 and you qualify to use your 2016 earned income to figure the additional child tax credit, follow the instructions under Election to use prior year earned income, earlier. Residents of Puerto Rico with three or more qualifying children who make this election must also follow the instructions under Lines 7 through 12-Residents of Puerto Rico Only.
Line 4b - Nontaxable Combat Pay. Enter on line 4 b the total amount of nontaxable combat pay that you, and your spouse if filing jointly, received in 2017. This amount should be shown in Form W-2, box 12, with code Q.

If you are using 2016 earned income on line 4 a , enter your 2016 nontaxable combat pay on line 4b.
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 2017 and total wages of over $\$ 127,200$, 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.
Lines 7 through 12 - Residents of Puerto Rico Only. If you are a resident of Puerto Rico and you have three or more qualifying children, you may be able to use your 2016 social security taxes on lines 7,8 , and 10 to figure the additional child tax credit. If you elect to use your 2016 earned income on line 4 a or to claim the earned income credit (EIC), you must use your 2016 social security taxes in Part III and indicate the election as described in Election to use prior year earned income, earlier.


Taxpayers who are not residents of Puerto Rico must use their 2017 social security taxes in Part III even if they elect to use their 2016 earned income.

If you don't have earned income to enter on line 4 a , you can elect to use your 2016 social security taxes if all of the following apply.

1. You are a resident of Puerto Rico with three or more qualifying children.
2. Your 2016 social security taxes are greater than your 2017 social security taxes. Before completing Part III, figure lines 7 through 12 twice (including the Line 7 Worksheet if applicable)-once with 2017 amounts and once with 2016 amounts to see if your 2016 social security taxes are greater than your 2017 social security taxes.
3. Your main home or the main home of your spouse if filing jointly was located in one of the Presidentially declared disaster areas eligible for the election to use prior year earned income on the specified date. For details, including the specified dates and descriptions of the disaster areas eligible for this relief, see Pub. 976.

You will indicate this election as described earlier under Election to use prior year earned income. If you put -0 - on line 4 a , then enter "PYEI" and -0- in the space next to Form 1040, line 67, or Form 1040A, line 43.

TIP
If you claimed the ACTC in 2016, you also can find your 2016 social security taxes on your 2016 Schedule 8812. If you claimed the ACTC in 2016 using Form 1040-SS (or Form 1040-PR), you will have a record of your 2016 social security taxes in the Additional Child Tax Credit Worksheet you completed in the separate instructions for that form.

## 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 1040 and 1040NR Filers - Earned Income Worksheet 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 $4 b$, 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 1040 and 1040NR Filers - Earned Income Worksheet in Pub. 972. |
|  | are not self-employed or filing Schedule SE, C, or C-EZ for the above reasons, | your earned income figured as follows: <br> Line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR. |
|  |  | Subtract, if included on line 7 (line 8 for Form 1040NR), any: <br> - Taxable scholarship or fellowship grant not reported on a Form W-2. <br> - 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)). <br> - 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. <br> - Medicaid waiver payment you excluded from income (see instructions for Form 1040, line 21, and Pub. 525 for information about these payments). <br> Add all your nontaxable combat pay from Form(s) W-2, box 12, with code Q. |
|  |  | Earned Income = |



