

**§ 31. Tax withheld on wages****(a) Wage withholding for income tax purposes****(1) In general**

The amount withheld as tax under chapter 24 shall be allowed to the recipient of the income as a credit against the tax imposed by this subtitle.

**(2) Year of credit**

The amount so withheld during any calendar year shall be allowed as a credit for the taxable year beginning in such calendar year. If more than one taxable year begins in a calendar year, such amount shall be allowed as a credit for the last taxable year so beginning.

**(b) Credit for special refunds of social security tax****(1) In general**

The Secretary may prescribe regulations providing for the crediting against the tax imposed by this subtitle of the amount determined by the taxpayer or the Secretary to be allowable under section 6413(c) as a special refund of tax imposed on wages. The amount allowed as a credit under such regulations shall, for purposes of this subtitle, be considered an amount withheld at source as tax under section 3402.

**(2) Year of credit**

Any amount to which paragraph (1) applies shall be allowed as a credit for the taxable year beginning in the calendar year during which the wages were received. If more than one taxable year begins in the calendar year, such amount shall be allowed as a credit for the last taxable year so beginning.

**(c) Special rule for backup withholding**

Any credit allowed by subsection (a) for any amount withheld under section 3406 shall be allowed for the taxable year of the recipient of the income in which the income is received.

(Aug. 16, 1954, ch. 736, 68A Stat. 12; Pub. L. 94-455, title XIX, §1906(b)(13)(D), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-248, title III, §§302(a), 308(a), Sept. 3, 1982, 96 Stat. 585, 591; Pub. L. 97-354, §3(i)(4), Oct. 19, 1982, 96 Stat. 1691; Pub. L. 97-448, title III, §306(b)(1), Jan. 12, 1983, 96 Stat. 2405; Pub. L. 98-67, title I, §§102(a), 104(d)(2), Aug. 5, 1983, 97 Stat. 369, 379; Pub. L. 98-369, div. A, title IV, §471(c), title VII, §714(j)(2), July 18, 1984, 98 Stat. 826, 962.)

**Editorial Notes****AMENDMENTS**

1984—Subsec. (a)(1). Pub. L. 98-369, §714(j)(2), substituted “as tax under chapter 24” for “under section 3402 as tax on the wages of any individual”.

1983—Pub. L. 98-67 added subsec. (c) and repealed amendments made by Pub. L. 97-248. See 1982 Amendment note below.

Pub. L. 97-448 amended subsec. (d) generally. See 1982 Amendment note below.

1982—Pub. L. 97-248, as amended by Pub. L. 97-354 and Pub. L. 97-448, amended section generally, applicable to payments of interest, dividends, and patronage dividends paid or credited after June 30, 1983. Section 102(a), (b) of Pub. L. 98-67, title I, Aug. 5, 1983, 97 Stat. 369, repealed subtitle A (§§301-308) of title III of Pub. L.

97-248 as of the close of June 30, 1983, and provided that the Internal Revenue Code of 1954 [now 1986] [this title] shall be applied and administered (subject to certain exceptions) as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

1976—Subsec. (b)(1). Pub. L. 94-455 struck out “or his delegate” after “The Secretary” and “(or his delegate)” after “taxpayer or the Secretary”.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 1984 AMENDMENT**

Pub. L. 98-369, div. A, title VII, §715, July 18, 1984, 98 Stat. 966, provided that: “Any amendment made by this subtitle [subtitle A (§§711-715) of title VII of Pub. L. 98-369, see Tables for classification] shall take effect as if included in the provision of the Tax Equity and Fiscal Responsibility Act of 1982 [Pub. L. 97-248] to which such amendment relates.”

**EFFECTIVE DATE OF 1983 AMENDMENT**

Pub. L. 98-67, title I, §110, Aug. 5, 1983, 97 Stat. 384, provided that:

“(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this title [enacting sections 3406 and 6705 of this title, amending this section and sections 274, 275, 643, 661, 3402, 3403, 3502, 3507, 6011, 6013, 6015, 6042, 6044, 6049, 6051, 6365, 6401, 6413, 6652, 6653, 6654, 6676, 6678, 6682, 7205, 7215, 7431, 7654, and 7701 of this title, repealing sections 3451 to 3456 of this title, enacting provisions set out as notes under sections 1, 3451, and 6011 of this title, and repealing provisions set out as a note under section 3451 of this title] shall apply with respect to payments made after December 31, 1983.

“(b) SECTION 102.—The amendments made by section 102 [amending this section and sections 274, 275, 643, 661, 3403, 3502, 3507, 6013, 6015, 6042, 6044, 6049, 6051, 6365, 6401, 6413, 6654, 6682, 7205, 7215, 7654, and 7701 of this title, repealing sections 3451 to 3456 of this title, enacting provisions set out as a note under section 3451 of this title, and repealing provisions set out as a note under section 3451 of this title] shall take effect as of the close of June 30, 1983.

“(c) SECTIONS 104(b) AND 107.—The amendments made by sections 104(b) and 107 [amending sections 6682, 7205, and 7431 of this title] shall take effect on the date of the enactment of this Act [Aug. 5, 1983].”

Pub. L. 97-448, title III, §311(d), Jan. 12, 1983, 96 Stat. 2412, provided that: “The amendments made by section 306 [amending this section and sections 48, 55, 263, 291, 312, 338, 401, 501, 1232, 6038A, 6226, 6228, 6679, and 7701 of this title, enacting provisions set out as notes under sections 338 and 1232 of this title, and amending provisions set out as notes under sections 56, 72, 101, 103, 168, 302, 311, 338, 415, 907, and 5701 of this title] shall take effect as if included in the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 [Pub. L. 97-248] to which such amendments relate.”

**CONSTRUCTION OF AMENDMENT BY TITLE VII OF DIVISION A OF PUB. L. 98-369**

Pub. L. 98-369, div. A, title VII, §701, July 18, 1984, 98 Stat. 942, provided that: “For purposes of applying the amendments made by any title of this Act [see Tables for classification] other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.”

**§ 32. Earned income****(a) Allowance of credit****(1) In general**

In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the taxpayer's earned income for the

taxable year as does not exceed the earned income amount.

**(2) Limitation**

The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed the excess (if any) of—

(A) the credit percentage of the earned income amount, over

(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the phaseout amount.

**(b) Percentages and amounts**

For purposes of subsection (a)—

**(1) Percentages**

The credit percentage and the phaseout percentage shall be determined as follows:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child .....	34 .....	15.98
2 qualifying children ....	40 .....	21.06
3 or more qualifying children.	45 .....	21.06
No qualifying children	7.65 .....	7.65

**(2) Amounts**

**(A) In general**

Subject to subparagraph (B), the earned income amount and the phaseout amount shall be determined as follows:

In the case of an eligible individual with:	The earned income amount is:	The phaseout amount is:
1 qualifying child .....	\$6,330 .....	\$11,610
2 or more qualifying children.	\$8,890 .....	\$11,610
No qualifying children	\$4,220 .....	\$5,280

**(B) Joint returns**

In the case of a joint return filed by an eligible individual and such individual's spouse, the phaseout amount determined under subparagraph (A) shall be increased by \$5,000.

**(c) Definitions and special rules**

For purposes of this section—

**(1) Eligible individual**

**(A) In general**

The term “eligible individual” means—

(i) any individual who has a qualifying child for the taxable year, or

(ii) any other individual who does not have a qualifying child for the taxable year, if—

(I) such individual's principal place of abode is in the United States for more than one-half of such taxable year,

(II) such individual (or, if the individual is married, either the individual or the individual's spouse) has attained age 25 but not attained age 65 before the close of the taxable year, and

(III) such individual is not a dependent for whom a deduction is allowable under section 151 to another taxpayer for any taxable year beginning in the same calendar year as such taxable year.

**(B) Qualifying child ineligible**

If an individual is the qualifying child of a taxpayer for any taxable year of such taxpayer beginning in a calendar year, such individual shall not be treated as an eligible individual for any taxable year of such individual beginning in such calendar year.

**(C) Exception for individual claiming benefits under section 911**

The term “eligible individual” does not include any individual who claims the benefits of section 911 (relating to citizens or residents living abroad) for the taxable year.

**(D) Limitation on eligibility of nonresident aliens**

The term “eligible individual” shall not include any individual who is a nonresident alien individual for any portion of the taxable year unless such individual is treated for such taxable year as a resident of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

**(E) Identification number requirement**

No credit shall be allowed under this section to an eligible individual who does not include on the return of tax for the taxable year—

(i) such individual's taxpayer identification number, and

(ii) if the individual is married, the taxpayer identification number of such individual's spouse.

**(2) Earned income**

(A) The term “earned income” means—

(i) wages, salaries, tips, and other employee compensation, but only if such amounts are includible in gross income for the taxable year, plus

(ii) the amount of the taxpayer's net earnings from self-employment for the taxable year (within the meaning of section 1402(a)), but such net earnings shall be determined with regard to the deduction allowed to the taxpayer by section 164(f).

(B) For purposes of subparagraph (A)—

(i) the earned income of an individual shall be computed without regard to any community property laws,

(ii) no amount received as a pension or annuity shall be taken into account,

(iii) no amount to which section 871(a) applies (relating to income of nonresident alien individuals not connected with United States business) shall be taken into account,

(iv) no amount received for services provided by an individual while the individual is an inmate at a penal institution shall be taken into account,

(v) no amount described in subparagraph (A) received for service performed in work activities as defined in paragraph (4) or (7) of section 407(d) of the Social Security Act to which the taxpayer is assigned under any State program under part A of title IV of such Act shall be taken into account, but only to the extent such amount is subsidized under such State program, and

(vi) a taxpayer may elect to treat amounts excluded from gross income by reason of section 112 as earned income.

### **(3) Qualifying child**

#### **(A) In general**

The term “qualifying child” means a qualifying child of the taxpayer (as defined in section 152(c), determined without regard to paragraph (1)(D) thereof and section 152(e)).

#### **(B) Married individual**

The term “qualifying child” shall not include an individual who is married as of the close of the taxpayer’s taxable year unless the taxpayer is entitled to a deduction under section 151 for such taxable year with respect to such individual (or would be so entitled but for section 152(e)).

#### **(C) Place of abode**

For purposes of subparagraph (A), the requirements of section 152(c)(1)(B) shall be met only if the principal place of abode is in the United States.

#### **(D) Identification requirements**

##### **(i) In general**

A qualifying child shall not be taken into account under subsection (b) unless the taxpayer includes the name, age, and TIN of the qualifying child on the return of tax for the taxable year.

##### **(ii) Other methods**

The Secretary may prescribe other methods for providing the information described in clause (i).

### **(4) Treatment of military personnel stationed outside the United States**

For purposes of paragraphs (1)(A)(ii)(I) and (3)(C), the principal place of abode of a member of the Armed Forces of the United States shall be treated as in the United States during any period during which such member is stationed outside the United States while serving on extended active duty with the Armed Forces of the United States. For purposes of the preceding sentence, the term “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.

### **(d) Married individuals**

#### **(1) In general**

In the case of an individual who is married, this section shall apply only if a joint return is filed for the taxable year under section 6013.

#### **(2) Determination of marital status**

For purposes of this section—

##### **(A) In general**

Except as provided in subparagraph (B), marital status shall be determined under section 7703(a).

##### **(B) Special rule for separated spouse**

An individual shall not be treated as married if such individual—

(i) is married (as determined under section 7703(a)) and does not file a joint return for the taxable year,

(ii) resides with a qualifying child of the individual for more than one-half of such taxable year, and

(iii)(I) during the last 6 months of such taxable year, does not have the same principal place of abode as the individual’s spouse, or

(II) has a decree, instrument, or agreement (other than a decree of divorce) described in section 121(d)(3)(C) with respect to the individual’s spouse and is not a member of the same household with the individual’s spouse by the end of the taxable year.

### **(e) Taxable year must be full taxable year**

Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

### **(f) Amount of credit to be determined under tables**

#### **(1) In general**

The amount of the credit allowed by this section shall be determined under tables prescribed by the Secretary.

#### **(2) Requirements for tables**

The tables prescribed under paragraph (1) shall reflect the provisions of subsections (a) and (b) and shall have income brackets of not greater than \$50 each—

(A) for earned income between \$0 and the amount of earned income at which the credit is phased out under subsection (b), and

(B) for adjusted gross income between the dollar amount at which the phaseout begins under subsection (b) and the amount of adjusted gross income at which the credit is phased out under subsection (b).

**[g] Repealed. Pub. L. 111-226, title II, § 219(a)(2), Aug. 10, 2010, 124 Stat. 2403]**

**[h] Repealed. Pub. L. 107-16, title III, § 303(c), June 7, 2001, 115 Stat. 55]**

### **(i) Denial of credit for individuals having excessive investment income**

#### **(1) In general**

No credit shall be allowed under subsection (a) for the taxable year if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds \$10,000.

#### **(2) Disqualified income**

For purposes of paragraph (1), the term “disqualified income” means—

(A) interest or dividends to the extent includible in gross income for the taxable year,

(B) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter,

(C) the excess (if any) of—

(i) gross income from rents or royalties not derived in the ordinary course of a trade or business, over

- (ii) the sum of—
  - (I) the deductions (other than interest) which are clearly and directly allocable to such gross income, plus
  - (II) interest deductions properly allocable to such gross income,
- (D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and
- (E) the excess (if any) of—
  - (i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over
  - (ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term “passive activity” has the meaning given such term by section 469.

**(j) Inflation adjustments**

**(1) In general**

In the case of any taxable year beginning after 2015 (2021 in the case of the dollar amount in subsection (i)(1)), each of the dollar amounts in subsections (b)(2) and (i)(1) shall be increased by an amount equal to—

- (A) such dollar amount, multiplied by
- (B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting in subparagraph (A)(ii) thereof—
  - (i) in the case of amounts in subsection (b)(2)(A), “calendar year 1995” for “calendar year 2016”,
  - (ii) in the case of the \$5,000 amount in subsection (b)(2)(B), “calendar year 2008” for “calendar year 2016”, and
  - (iii) in the case of the \$10,000 amount in subsection (i)(1), “calendar year 2020” for “calendar year 2016”.

**(2) Rounding**

**(A) In general**

If any dollar amount in subsection (b)(2)(A) (after being increased under subparagraph (B) thereof), after being increased under paragraph (1), is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10.

**(B) Disqualified income threshold amount**

If the dollar amount in subsection (i)(1), after being increased under paragraph (1), is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.

**(k) Restrictions on taxpayers who improperly claimed credit in prior year**

**(1) Taxpayers making prior fraudulent or reckless claims**

**(A) In general**

No credit shall be allowed under this section for any taxable year in the disallowance period.

**(B) Disallowance period**

For purposes of paragraph (1), the disallowance period is—

(i) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section was due to fraud, and

(ii) the period of 2 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section was due to reckless or intentional disregard of rules and regulations (but not due to fraud).

**(2) Taxpayers making improper prior claims**

In the case of a taxpayer who is denied credit under this section for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

**(l) Coordination with certain means-tested programs**

For purposes of—

- (1) the United States Housing Act of 1937,
- (2) title V of the Housing Act of 1949,
- (3) section 101 of the Housing and Urban Development Act of 1965,
- (4) sections 221(d)(3), 235, and 236 of the National Housing Act, and
- (5) the Food and Nutrition Act of 2008,

any refund made to an individual (or the spouse of an individual) by reason of this section shall not be treated as income (and shall not be taken into account in determining resources for the month of its receipt and the following month).

**(m) Identification numbers**

Solely for purposes of subsections (c)(1)(E) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act) on or before the due date for filing the return for the taxable year.

**(n) Special rules for individuals without qualifying children**

In the case of any taxable year beginning after December 31, 2020, and before January 1, 2022—

**(1) Decrease in minimum age for credit**

**(A) In general**

Subsection (c)(1)(A)(ii)(II) shall be applied by substituting “the applicable minimum age” for “age 25”.

**(B) Applicable minimum age**

For purposes of this paragraph, the term “applicable minimum age” means—

- (i) except as otherwise provided in this subparagraph, age 19,
- (ii) in the case of a specified student (other than a qualified former foster youth or a qualified homeless youth), age 24, and
- (iii) in the case of a qualified former foster youth or a qualified homeless youth, age 18.

**(C) Specified student**

For purposes of this paragraph, the term “specified student” means, with respect to any taxable year, an individual who is an eligible student (as defined in section 25A(b)(3)) during at least 5 calendar months during the taxable year.

**(D) Qualified former foster youth**

For purposes of this paragraph, the term “qualified former foster youth” means an individual who—

(i) on or after the date that such individual attained age 14, was in foster care provided under the supervision or administration of an entity administering (or eligible to administer) a plan under part B or part E of title IV of the Social Security Act (without regard to whether Federal assistance was provided with respect to such child under such part E), and

(ii) provides (in such manner as the Secretary may provide) consent for entities which administer a plan under part B or part E of title IV of the Social Security Act to disclose to the Secretary information related to the status of such individual as a qualified former foster youth.

**(E) Qualified homeless youth**

For purposes of this paragraph, the term “qualified homeless youth” means, with respect to any taxable year, an individual who certifies, in a manner as provided by the Secretary, that such individual is either an unaccompanied youth who is a homeless child or youth, or is unaccompanied, at risk of homelessness, and self-supporting.

**(2) Elimination of maximum age for credit**

Subsection (c)(1)(A)(ii)(II) shall be applied without regard to the phrase “but not attained age 65”.

**(3) Increase in credit and phaseout percentages**

The table contained in subsection (b)(1) shall be applied by substituting “15.3” for “7.65” each place it appears therein.

**(4) Increase in earned income and phaseout amounts****(A) In general**

The table contained in subsection (b)(2)(A) shall be applied—

- (i) by substituting “\$9,820” for “\$4,220”, and
- (ii) by substituting “\$11,610” for “\$5,280”.

**(B) Coordination with inflation adjustment**

Subsection (j) shall not apply to any dollar amount specified in this paragraph.

(Added Pub. L. 94-12, title II, §204(a), Mar. 29, 1975, 89 Stat. 30, §43; amended Pub. L. 94-164, §2(c), Dec. 23, 1975, 89 Stat. 971; Pub. L. 94-455, title IV, §401(c)(1)(B), (2), Oct. 4, 1976, 90 Stat. 1557; Pub. L. 95-600, title I, §§104(a)-(e), 105(a), Nov. 6, 1978, 92 Stat. 2772, 2773; Pub. L. 95-615, §202(g)(5), formerly §202(f)(5), Nov. 8, 1978, 92 Stat. 3100, renumbered §202(g)(5) and amended Pub. L. 96-222, title I, §§101(a)(1), (2)(E), 108(a)(1)(A), Apr. 1, 1980, 94 Stat. 194, 195, 223;

Pub. L. 97-34, title I, §§111(b)(2), 112(b)(3), Aug. 13, 1981, 95 Stat. 194, 195; Pub. L. 98-21, title I, §124(c)(4)(B), Apr. 20, 1983, 97 Stat. 91; renumbered §32 and amended Pub. L. 98-369, div. A, title IV, §§423(c)(3), 471(c), title X, §1042(a)-(d)(2), July 18, 1984, 98 Stat. 801, 826, 1043; Pub. L. 99-514, title I, §§104(b)(1)(B), 111(a)-(d)(1), title XII, §1272(d)(4), title XIII, §1301(j)(8), Oct. 22, 1986, 100 Stat. 2104, 2107, 2594, 2658; Pub. L. 100-647, title I, §§1001(c), 1007(g)(12), Nov. 10, 1988, 102 Stat. 3350, 3436; Pub. L. 101-508, title XI, §§11101(d)(1)(B), 11111(a), (b), (e), Nov. 5, 1990, 104 Stat. 1388-405, 1388-408, 1388-412, 1388-413; Pub. L. 103-66, title XIII, §13131(a)-(d)(1), Aug. 10, 1993, 107 Stat. 433-435; Pub. L. 103-465, title VII, §§721(a), 722(a), 723(a), 742(a), Dec. 8, 1994, 108 Stat. 5002, 5003, 5010; Pub. L. 104-7, §4(a), Apr. 11, 1995, 109 Stat. 95; Pub. L. 104-193, title IV, §451(a), (b), title IX, §§909(a), (b), 910(a), (b), Aug. 22, 1996, 110 Stat. 2276, 2277, 2351, 2352; Pub. L. 105-34, title I, §101(b), title III, §312(d)(2), title X, §1085(a)(1), (b)-(d), Aug. 5, 1997, 111 Stat. 798, 840, 955, 956; Pub. L. 105-206, title VI, §§6003(b), 6010(p)(1), (2), 6021(a), (b), July 22, 1998, 112 Stat. 791, 816, 817, 823, 824; Pub. L. 106-170, title IV, §412(a), Dec. 17, 1999, 113 Stat. 1917; Pub. L. 107-16, title II, §201(c)(3), title III, §303(a)-(f), (h), June 7, 2001, 115 Stat. 47, 55-57; Pub. L. 107-147, title IV, §416(a)(1), Mar. 9, 2002, 116 Stat. 55; Pub. L. 108-311, title I, §104(b), title II, §205, Oct. 4, 2004, 118 Stat. 1169, 1176; Pub. L. 109-135, title III, §302(a), Dec. 21, 2005, 119 Stat. 2608; Pub. L. 109-432, div. A, title I, §106(a), Dec. 20, 2006, 120 Stat. 2938; Pub. L. 110-234, title IV, §4002(b)(1)(B), (2)(O), May 22, 2008, 122 Stat. 1096, 1097; Pub. L. 110-245, title I, §102(a), June 17, 2008, 122 Stat. 1625; Pub. L. 110-246, §4(a), title IV, §4002(b)(1)(B), (2)(O), June 18, 2008, 122 Stat. 1664, 1857, 1858; Pub. L. 111-5, div. B, title I, §1002(a), Feb. 17, 2009, 123 Stat. 312; Pub. L. 111-226, title II, §219(a)(2), Aug. 10, 2010, 124 Stat. 2403; Pub. L. 111-312, title I, §103(c), Dec. 17, 2010, 124 Stat. 3299; Pub. L. 112-240, title I, §103(c), Jan. 2, 2013, 126 Stat. 2319; Pub. L. 113-295, div. A, title II, §§206(a), 221(a)(3), Dec. 19, 2014, 128 Stat. 4027, 4037; Pub. L. 114-113, div. Q, title I, §103(a)-(c), title II, §204(a), Dec. 18, 2015, 129 Stat. 3044, 3045, 3081; Pub. L. 115-97, title I, §11002(d)(1)(D), Dec. 22, 2017, 131 Stat. 2060; Pub. L. 115-141, div. U, title I, §101(a), title IV, §401(b)(4), Mar. 23, 2018, 132 Stat. 1160, 1201; Pub. L. 117-2, title IX, §§9621(a), 9622(a), 9623(a), (b), 9624(a), (b), Mar. 11, 2021, 135 Stat. 152-154.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**Editorial Notes****REFERENCES IN TEXT**

The Social Security Act, referred to in subsecs. (c)(2)(B)(v), (m), and (n)(1)(D), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Parts A, B, and E of title IV of the Act are classified generally to parts A (§601 et seq.), B (§620 et seq.), and E (§670 et seq.), respectively, of subchapter IV of chapter 7 of Title 42, The Public Health and Welfare. Sections 205(c)(2)(B)(i) and 407(d)(4), (7) of the Act are classified to sections 405(c)(2)(B)(i) and 607(d)(4), (7), respectively, of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

The United States Housing Act of 1937, referred to in subsec. (I)(1), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93-383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, which is classified generally to chapter 8 (§1437 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note under section 1437 of Title 42 and Tables.

The Housing Act of 1949, referred to in subsec. (I)(2), is act July 15, 1949, ch. 338, 63 Stat. 413. Title V of the Act is classified generally to subchapter III (§1471 et seq.) of chapter 8A of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of Title 42 and Tables.

Section 101 of the Housing and Urban Development Act of 1965, referred to in subsec. (I)(3), is section 101 of Pub. L. 89-117, title I, Aug. 10, 1965, 79 Stat. 451, which enacted section 1701s of Title 12, Banks and Banking, and amended sections 1451 and 1465 of Title 42.

Sections 221(d)(3), 235, and 236 of the National Housing Act, referred to in subsec. (I)(4), are classified to sections 1715(d)(3), 1715z, and 1715z-1, respectively, of Title 12.

The Food and Nutrition Act of 2008, referred to in subsec. (I)(5), is Pub. L. 88-525, Aug. 31, 1964, 78 Stat. 703, which is classified generally to chapter 51 (§2011 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 2011 of Title 7 and Tables.

#### CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

#### PRIOR PROVISIONS

A prior section 32 was renumbered section 33 of this title.

#### AMENDMENTS

2021—Subsec. (c)(1)(A). Pub. L. 117-2, §9623(b)(1), struck out concluding provisions which read as follows: “For purposes of the preceding sentence, marital status shall be determined under section 7703.”

Subsec. (c)(1)(B)(ii). Pub. L. 117-2, §9623(b)(2), struck out “(within the meaning of section 7703)” after “is married”.

Subsec. (c)(1)(F). Pub. L. 117-2, §9622(a), struck out heading and text of subpar. (F). Text read as follows: “No credit shall be allowed under this section to any eligible individual who has one or more qualifying children if no qualifying child of such individual is taken into account under subsection (b) by reason of paragraph (3)(D).”

Subsec. (d). Pub. L. 117-2, §9623(a), designated existing provisions as par. (1), inserted heading, and added par. (2).

Subsec. (d)(1). Pub. L. 117-2, §9623(b)(3), struck out “(within the meaning of section 7703)” after “is married”.

Subsec. (i)(1). Pub. L. 117-2, §9624(a), substituted “\$10,000” for “\$2,200”.

Subsec. (j)(1). Pub. L. 117-2, §9624(b)(1), inserted “(2021 in the case of the dollar amount in subsection (i)(1))” after “2015” in introductory provisions.

Subsec. (j)(1)(B)(i). Pub. L. 117-2, §9624(b)(2)(A), substituted “subsection (b)(2)(A)” for “subsections (b)(2)(A) and (i)(1)”.

Subsec. (j)(1)(B)(iii). Pub. L. 117-2, §9624(b)(2)(B)-(4), added cl. (iii).

Subsec. (n). Pub. L. 117-2, §9621(a), added subsec. (n). 2018—Subsec. (b)(2)(B). Pub. L. 115-141, §101(a)(1), struck out cl. (i) designation and heading and struck out cls. (ii) and (iii) which related to inflation adjustment for taxable years after 2015 and application of rounding provisions in subsec. (j)(2)(A) of this section, respectively.

Subsec. (j)(1). Pub. L. 115-141, §101(a)(2)(A), substituted “after 2015” for “after 1996” in introductory provisions.

Subsec. (j)(1)(B). Pub. L. 115-141, §101(a)(2)(B), inserted “by substituting in subparagraph (A)(ii) thereof” after “, determined” in introductory provisions.

Subsec. (j)(1)(B)(i). Pub. L. 115-141, §101(a)(2)(C), struck out “by substituting” after “(i)(1),” and “in subparagraph (A)(ii) thereof” after “‘calendar year 2016’”.

Subsec. (j)(1)(B)(ii). Pub. L. 115-141, §101(a)(2)(D), substituted “\$5,000 amount in subsection (b)(2)(B), ‘calendar year 2008’ for ‘calendar year 2016’” for “\$3,000 amount in subsection (b)(2)(B)(iii), by substituting ‘calendar year 2007’ for ‘calendar year 2016’ in subparagraph (A)(ii) of such section 1”.

Subsec. (I). Pub. L. 115-141, §401(b)(4), struck out “, and any payment made to such individual (or such spouse) by an employer under section 3507,” after “reason of this section” in concluding provisions.

2017—Subsecs. (b)(2)(B)(ii)(II), (j)(1)(B)(i), (ii). Pub. L. 115-97 substituted “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B)”.

2015—Subsec. (b)(1). Pub. L. 114-113, §103(a), amended par. (1) generally. Prior to amendment, par. (1) provided credit and phaseout percentages for eligible individuals with 1, 2 or more, or no qualifying children.

Subsec. (b)(2)(B). Pub. L. 114-113, §103(b), amended subpar. (B) generally. Prior to amendment, text read as follows: “In the case of a joint return filed by an eligible individual and such individual’s spouse, the phase-out amount determined under subparagraph (A) shall be increased by \$3,000.”

Subsec. (b)(3). Pub. L. 114-113, §103(c), struck out par. (3) which provided for increased credit percentage for taxpayers with 3 or more qualifying children and reduction of marriage penalty in taxable years beginning after 2008 and before 2018, with adjustment for inflation.

Subsec. (m). Pub. L. 114-113, §204(a), inserted “on or before the due date for filing the return for the taxable year” before period at end.

2014—Subsec. (b)(1). Pub. L. 113-295, §221(a)(3)(A), struck out subpar. (A) designation, heading “In general”, and introductory provisions “In the case of taxable years beginning after 1995:” before the table and struck out subpars. (B) and (C) which related to transitional percentages for 1995 and transitional percentages for 1994, respectively, and realigned margins.

Subsec. (b)(2)(B). Pub. L. 113-295, §221(a)(3)(B), substituted “increased by \$3,000.” for “increased by—

“(i) \$1,000 in the case of taxable years beginning in 2002, 2003, and 2004,

“(ii) \$2,000 in the case of taxable years beginning in 2005, 2006, and 2007, and

“(iii) \$3,000 in the case of taxable years beginning after 2007.”

Subsec. (b)(3)(B)(ii). Pub. L. 113-295, §206(a), substituted “after 2009” for “in 2010” in introductory provisions.

2013—Subsec. (b)(3). Pub. L. 112-240 substituted “for certain years” for “2009, 2010, 2011, and 2012” in heading and “after 2008 and before 2018” for “in 2009, 2010, 2011, or 2012” in introductory provisions.

2010—Subsec. (b)(3). Pub. L. 111-312 substituted “2009, 2010, 2011, and 2012” for “2009 and 2010” in heading and “, 2010, 2011, or 2012” for “or 2010” in introductory provisions.

Subsec. (g). Pub. L. 111-226 struck out subsec. (g). Text read as follows:

“(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made to the individual by an employer under section 3507 during any calendar year, then the tax imposed by this chapter for the individual’s last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

“(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this part.”

2009—Subsec. (b)(3). Pub. L. 111-5 added par. (3).

2008—Subsec. (c)(2)(B)(vi). Pub. L. 110-245 amended cl. (vi) generally. Prior to amendment, cl. (vi) read as follows: “in the case of any taxable year ending—

“(I) after the date of the enactment of this clause, and

“(II) before January 1, 2008,

a taxpayer may elect to treat amounts excluded from gross income by reason of section 112 as earned income.”

Subsec. (l)(5). Pub. L. 110-246, §4002(b)(1)(B), (2)(O), substituted “Food and Nutrition Act of 2008” for “Food Stamp Act of 1977”.

2006—Subsec. (c)(2)(B)(vi)(II). Pub. L. 109-432 substituted “2008” for “2007”.

2005—Subsec. (c)(2)(B)(vi)(II). Pub. L. 109-135 substituted “2007” for “2006”.

2004—Subsec. (c)(1)(C) to (G). Pub. L. 108-311, §205(b)(1), redesignated subpars. (D) to (G) as (C) to (F), respectively, and struck out former subpar. (C) which related to 2 or more claiming qualifying child.

Subsec. (c)(2)(B)(vi). Pub. L. 108-311, §104(b), added cl. (vi).

Subsec. (c)(3). Pub. L. 108-311, §205(a), amended par. (3) generally, substituting subpars. (A) to (D) for former subpars. (A) to (E), relating to qualifying child in general, relationship test, age requirements, identification requirements, and place of abode requirements.

Subsec. (c)(4). Pub. L. 108-311, §205(b)(2), substituted “(3)(C)” for “(3)(E)”.

Subsec. (m). Pub. L. 108-311, §205(b)(3), substituted “(c)(1)(E)” for “(c)(1)(F)”.

2002—Subsec. (g)(2). Pub. L. 107-147 substituted “part” for “subpart”.

2001—Subsec. (a)(2)(B). Pub. L. 107-16, §303(d)(1), struck out “modified” before “adjusted gross income”.

Subsec. (b)(2). Pub. L. 107-16, §303(a)(1), reenacted par. heading without change, designated existing provisions as subpar. (A), inserted subpar. heading, substituted “Subject to subparagraph (B), the earned” for “The earned”, and added subpar. (B).

Subsec. (c)(1)(C). Pub. L. 107-16, §303(f), amended heading and text of subpar. (C) generally. Prior to amendment, text read as follows: “If 2 or more individuals would (but for this subparagraph and after application of subparagraph (B)) be treated as eligible individuals with respect to the same qualifying child for taxable years beginning in the same calendar year, only the individual with the highest modified adjusted gross income for such taxable years shall be treated as an eligible individual with respect to such qualifying child.”

Subsec. (c)(2)(A)(i). Pub. L. 107-16, §303(b), inserted “, but only if such amounts are includible in gross income for the taxable year” after “other employee compensation”.

Subsec. (c)(3)(A)(ii). Pub. L. 107-16, §303(e)(2)(B), struck out “except as provided in subparagraph (B)(iii),” before “who has”.

Subsec. (c)(3)(B)(i). Pub. L. 107-16, §303(e)(1), reenacted heading, introductory provisions, and subcl. (III) of cl. (i) without change and amended subcls. (I) and (II) generally. Prior to amendment, subcls. (I) and (II) read as follows:

“(I) a son or daughter of the taxpayer, or a descendant of either,

“(II) a stepson or stepdaughter of the taxpayer, or.”

Subsec. (c)(3)(B)(iii). Pub. L. 107-16, §303(e)(2)(A), reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “For purposes of clause (i)(III), the term ‘eligible foster child’ means an individual not described in clause (i)(I) or (II) who—

“(I) is a brother, sister, stepbrother, or stepsister of the taxpayer (or a descendant of any such relative) or is placed with the taxpayer by an authorized placement agency,

“(II) the taxpayer cares for as the taxpayer’s own child, and

“(III) has the same principal place of abode as the taxpayer for the taxpayer’s entire taxable year.”

Subsec. (c)(3)(E). Pub. L. 107-16, §303(h), substituted “subparagraph (A)(ii)” for “subparagraphs (A)(ii) and (B)(iii)(II)”.

Subsec. (c)(5). Pub. L. 107-16, §303(d)(2)(A), struck out heading and text of par. (5), which defined “modified adjusted gross income” as meaning adjusted gross income without regard to certain described amounts and increased by certain described amounts.

Subsec. (f)(2)(B). Pub. L. 107-16, §303(d)(2)(B), struck out “modified” before “adjusted gross income” in two places.

Subsec. (h). Pub. L. 107-16, §303(c), struck out heading and text of subsec. (h). Text read as follows: “The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year.”

Subsec. (j)(1)(B). Pub. L. 107-16, §303(a)(2), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 1995’ for ‘calendar year 1992’ in subparagraph (B) thereof.”

Subsec. (j)(2)(A). Pub. L. 107-16, §303(a)(3), substituted “subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)” for “subsection (b)(2)”.

Subsec. (n). Pub. L. 107-16, §201(c)(3), struck out heading and text of subsec. (n), which had increased credit allowable under this section in the case of a taxpayer with respect to whom a child tax credit is allowed under section 24(a), described amount of increase, and set forth provisions relating to coordination with other credits allowable under this part.

1999—Subsec. (c)(3)(B)(iii). Pub. L. 106-170 added subcl. (I) and redesignated former subcls. (I) and (II) as (II) and (III), respectively.

1998—Subsec. (c)(1)(F). Pub. L. 105-206, §6021(a), added introductory provisions and struck out former introductory provisions which read as follows: “The term ‘eligible individual’ does not include any individual who does not include on the return of tax for the taxable year—”.

Subsec. (c)(1)(G). Pub. L. 105-206, §6021(b)(2), added subpar. (G).

Subsec. (c)(2)(B)(v). Pub. L. 105-206, §6010(p)(2), inserted “shall be taken into account” before “, but only”.

Subsec. (c)(3)(A)(ii) to (iv). Pub. L. 105-206, §6021(b)(3), inserted “and” at end of cl. (ii), substituted a period for “, and” at end of cl. (iii), and struck out cl. (iv) which read as follows: “with respect to whom the taxpayer meets the identification requirements of subparagraph (D)”.

Subsec. (c)(3)(D)(i). Pub. L. 105-206, §6021(b)(1), reenacted heading without change and amended text of cl. (i) generally. Prior to amendment, text read as follows: “The requirements of this subparagraph are met if the taxpayer includes the name, age, and TIN of each qualifying child (without regard to this subparagraph) on the return of tax for the taxable year.”

Subsec. (c)(5)(A). Pub. L. 105-206, §6010(p)(1)(A), inserted “and increased by the amounts described in subparagraph (C)” before period at end.

Subsec. (c)(5)(B). Pub. L. 105-206, §6010(p)(1)(B), (C), inserted “or” at end of cl. (iii) and substituted cl. (iv)(III), (v), (vi), and concluding provisions for former cl. (iv)(III), (v), (vi), and concluding provisions which read as follows:

“(III) other trades or businesses

“(v) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

“(vi) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee. Clause (vi) shall not include any amount which is not includible in gross in-

come by reason of section 402(c), 403(a)(4), 403(b), 408(d)(3), (4), or (5), or 457(e)(10)."

Subsec. (c)(5)(C). Pub. L. 105-206, § 6010(p)(1)(C), added subpar. (C).

Subsecs. (m), (n). Pub. L. 105-206, § 6003(b), redesignated subsec. (m), relating to supplemental child credit, as (n) and amended text generally. Prior to amendment, text read as follows:

"(1) IN GENERAL.—In the case of a taxpayer with respect to whom a credit is allowed under section 24 for the taxable year, there shall be allowed as a credit under this section an amount equal to the supplemental child credit (if any) determined for such taxpayer for such taxable year under paragraph (2). Such credit shall be in addition to the credit allowed under subsection (a).

"(2) SUPPLEMENTAL CHILD CREDIT.—For purposes of this subsection, the supplemental child credit is an amount equal to the excess (if any) of—

"(A) the amount determined under section 24(d)(1)(A), over

"(B) the amount determined under section 24(d)(1)(B).

The amounts referred to in subparagraphs (A) and (B) shall be determined as if section 24(d) applied to all taxpayers.

"(3) COORDINATION WITH SECTION 24.—The amount of the credit under section 24 shall be reduced by the amount of the credit allowed under this subsection."

1997—Subsec. (c)(2)(B)(v). Pub. L. 105-34, § 1085(c), added cl. (v).

Subsec. (c)(4). Pub. L. 105-34, § 312(d)(2), struck out "(as defined in section 1034(h)(3))" after "serving on extended active duty" and inserted at end "For purposes of the preceding sentence, the term '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."

Subsec. (c)(5)(B). Pub. L. 105-34, § 1085(d)(4), inserted at end of concluding provisions "Clause (vi) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b), 408(d)(3), (4), or (5), or 457(e)(10)."

Subsec. (c)(5)(B)(iv). Pub. L. 105-34, § 1085(b), substituted "75 percent" for "50 percent" in introductory provisions.

Subsec. (c)(5)(B)(v), (vi). Pub. L. 105-34, § 1085(d)(1)–(3), added cls. (v) and (vi).

Subsec. (k). Pub. L. 105-34, § 1085(a)(1), added subsec. (k). Former subsec. (k) redesignated (l).

Subsec. (l). Pub. L. 105-34, § 1085(a)(1), redesignated subsec. (k) as (l). Former subsec. (l) redesignated (m).

Subsec. (m). Pub. L. 105-34, § 1085(a)(1), redesignated subsec. (l) as (m) relating to identification numbers.

Pub. L. 105-34, § 101(b), added subsec. (m) relating to supplemental child credit.

1996—Subsec. (a)(2)(B). Pub. L. 104-193, § 910(a), inserted "modified" before "adjusted gross income".

Subsec. (b)(2). Pub. L. 104-193, § 909(a)(3), reenacted heading without change and amended text generally. Prior to amendment, text consisted of subpars. (A) and (B) setting out tables for determining the earned income amount for taxable years beginning after 1994 and for taxable years beginning in 1994.

Subsec. (c)(1)(C). Pub. L. 104-193, § 910(a), inserted "modified" before "adjusted gross income".

Subsec. (c)(1)(F). Pub. L. 104-193, § 451(a), added subpar. (F).

Subsec. (c)(5). Pub. L. 104-193, § 910(b), added par. (5).

Subsec. (f)(2)(B). Pub. L. 104-193, § 910(a), inserted "modified" before "adjusted gross income" in two places.

Subsec. (i)(1). Pub. L. 104-193, § 909(a)(1), substituted "\$2,200" for "\$2,350".

Subsec. (i)(2). Pub. L. 104-193, § 909(b), added subpars. (D) and (E) and concluding provisions.

Subsec. (j). Pub. L. 104-193, § 909(a)(2), reenacted heading without change and amended text generally. Prior to amendment, text read as follows:

"(1) IN GENERAL.—In the case of any taxable year beginning after 1994, each dollar amount contained in

subsection (b)(2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting 'calendar year 1993' for 'calendar year 1992'.

"(2) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10 (or, if such dollar amount is a multiple of \$5, such dollar amount shall be increased to the next higher multiple of \$10)."

Subsec. (l). Pub. L. 104-193, § 451(b), added subsec. (l). 1995—Subsecs. (i) to (k). Pub. L. 104-7 added subsec. (i) and redesignated former subsecs. (i) and (j) as (j) and (k), respectively.

1994—Subsec. (c)(1)(E). Pub. L. 103-465, § 722(a), added subpar. (E).

Subsec. (c)(2)(B)(iv). Pub. L. 103-465, § 723(a), added cl. (iv).

Subsec. (c)(3)(D)(i). Pub. L. 103-465, § 742(a), amended heading and text of cl. (i) generally. Prior to amendment, text read as follows: "The requirements of this subparagraph are met if—

"(I) the taxpayer includes the name and age of each qualifying child (without regard to this subparagraph) on the return of tax for the taxable year, and

"(II) in the case of an individual who has attained the age of 1 year before the close of the taxpayer's taxable year, the taxpayer includes the taxpayer identification number of such individual on such return of tax for such taxable year."

Subsec. (c)(4). Pub. L. 103-465, § 721(a), added par. (4).

1993—Subsec. (a). Pub. L. 103-66, § 13131(a), amended heading and text of subsec. (a) generally. Prior to amendment, text read as follows: "In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

"(1) the basic earned income credit, and

"(2) the health insurance credit."

Subsec. (b). Pub. L. 103-66, § 13131(a), substituted "Percentages and amounts" for "Computation of credit" in heading and amended text generally. Prior to amendment, text related to method of computation of both earned income credit and health insurance credit.

Subsec. (c)(1)(A). Pub. L. 103-66, § 13131(b), amended heading and text of subpar. (A) generally. Prior to amendment, text read as follows: "The term 'eligible individual' means any individual who has a qualifying child for the taxable year."

Subsec. (c)(3)(D)(ii). Pub. L. 103-66, § 13131(d)(1), redesignated cl. (iii) as (ii), substituted "clause (i)" for "clause (i) or (ii)", and struck out heading and text of former cl. (ii). Text read as follows: "In the case of any taxpayer with respect to which the health insurance credit is allowed under subsection (a)(2), the Secretary may require a taxpayer to include an insurance policy number or other adequate evidence of insurance in addition to any information required to be included in clause (i)."

Subsec. (i)(1). Pub. L. 103-66, § 13131(c)(1), added par. (1) and struck out text and heading of former par. (1). Text read as follows: "In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting 'calendar year 1984' for 'calendar year 1989' in subparagraph (B) thereof."

Subsec. (i)(2), (3). Pub. L. 103-66, § 13131(c), redesignated par. (3) as (2) and struck out former par. (2) which defined terms for purposes of the inflation adjustment in par. (1).

1990—Subsec. (a). Pub. L. 101-508, § 11111(a), amended subsec. (a) generally. Prior to amendment, subsec. (a)



read as follows: “In the case of an eligible individual, there is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 14 percent of so much of the earned income for the taxable year as does not exceed \$5,714.”

Subsec. (b). Pub. L. 101-508, §1111(a), substituted heading for one which read “Limitation” and amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

“(1) the maximum credit allowable under subsection (a) to any taxpayer, over

“(2) 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds \$9,000.

In the case of any taxable year beginning in 1987, paragraph (2) shall be applied by substituting ‘\$6,500’ for ‘\$9,000’.”

Subsec. (c). Pub. L. 101-508, §1111(a), amended subsec. (c) generally, inserting “and special rules” in heading and substituting present provisions for provisions defining “eligible individual” and “earned income”.

Subsec. (i)(1)(B). Pub. L. 101-508, §11101(d)(1)(B), substituted “1989” for “1987”.

Subsec. (i)(2)(A). Pub. L. 101-508, §1111(e)(1), (2), substituted “clause (i) of subparagraph (B)” for “clause (i) or (ii) of subparagraph (B)” in cl. (i) and “clause (ii)” for “clause (iii)” in cl. (ii).

Subsec. (i)(2)(B). Pub. L. 101-508, §1111(e)(3), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “The dollar amounts referred to in this subparagraph are—

“(i) the \$5,714 amount contained in subsection (a),

“(ii) the \$6,500 amount contained in the last sentence of subsection (b), and

“(iii) the \$9,000 amount contained in subsection (b)(2).”

Subsec. (j). Pub. L. 101-508, §1111(b), added subsec. (j).

1988—Subsec. (h). Pub. L. 100-647, §1007(g)(12), struck out “for taxpayers other than corporations” after “alternative minimum tax”.

Subsec. (i)(3). Pub. L. 100-647, §1001(c), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “If any increase determined under paragraph (1) is not a multiple of \$10, such increase shall be rounded to the nearest multiple of \$10 (or, if such increase is a multiple of \$5, such increase shall be increased to the next higher multiple of \$10).”

1986—Subsec. (a). Pub. L. 99-514, §111(a), substituted “14 percent” for “11 percent” and “\$5,714” for “\$5,000”.

Subsec. (b). Pub. L. 99-514, §111(b), amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

“(1) \$550, over

“(2) 12½ percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds \$6,500.”

Subsec. (c)(1)(A)(i). Pub. L. 99-514, §1301(j)(8), substituted “section 7703” for “section 143”.

Pub. L. 99-514, §104(b)(1)(B), substituted “section 151(c)(3)” for “section 151(e)(3)”.

Subsec. (c)(1)(C). Pub. L. 99-514, §1272(d)(4), struck out “or 931” after “911” in heading, and amended text generally. Prior to amendment, text read as follows: “The term ‘eligible individual’ does not include an individual who, for the taxable year, claims the benefits of—

“(i) section 911 (relating to citizens or residents of the United States living abroad),

“(ii) section 931 (relating to income from sources within possessions of the United States).”

Subsec. (d). Pub. L. 99-514, §1301(j)(8), substituted “section 7703” for “section 143”.

Subsec. (f)(2)(A), (B). Pub. L. 99-514, §111(d)(1), added subpars. (A) and (B) and struck out former subpars. (A) and (B) which read as follows:

“(A) for earned income between \$0 and \$11,000, and

“(B) for adjusted gross income between \$6,500 and \$11,000.”

Subsec. (i). Pub. L. 99-514, §111(c), added subsec. (i).

1984—Pub. L. 98-369, §471(c), renumbered section 43 of this title as this section.

Subsec. (a). Pub. L. 98-369, §1042(a), substituted “11 percent” for “10 percent”.

Subsec. (b)(1). Pub. L. 98-369, §1042(d)(1), substituted “\$550” for “\$500”.

Subsec. (b)(2). Pub. L. 98-369, §1042(b), substituted “12½ percent” for “12.5 percent” and “\$6,500” for “\$6,000”.

Subsec. (c)(1)(A)(i). Pub. L. 98-369, §423(c)(3)(A), inserted “or would be so entitled but for paragraph (2) or (4) of section 152(e)”.

Subsec. (c)(1)(B). Pub. L. 98-369, §423(c)(3)(B), substituted “as the individual for more than one-half of the taxable year” for “as the individual”.

Subsec. (f)(2)(A). Pub. L. 98-369, §1042(d)(2), substituted “between \$0 and \$11,000” for “between \$0 and \$10,000”.

Subsec. (f)(2)(B). Pub. L. 98-369, §1042(d)(2), substituted “between \$6,500 and \$11,000” for “between \$6,000 and \$10,000”.

Subsec. (h). Pub. L. 98-369, §1042(c), added subsec. (h). 1983—Subsec. (c)(2)(A)(ii). Pub. L. 98-21 inserted before period at end “, but such net earnings shall be determined with regard to the deduction allowed to the taxpayer by section 164(f)”.

1981—Subsec. (c)(1)(C). Pub. L. 97-34 struck out reference to section 913 in heading, substituted “relating to citizens or residents of the United States living abroad” for “relating to income earned by individuals in certain camps outside the United States” in cl. (i), struck out cl. (ii) which made reference to section 913, and redesignated cl. (iii) as (ii).

1980—Subsec. (c)(1)(C). Pub. L. 96-222, §101(a)(1), in heading substituted “who claims benefit of section 911, 913, or 931” for “entitled to exclude income under section 911” and in text substituted “claims the benefits of” for “is entitled to exclude any amounts from gross income under” and inserted reference to section 913 (relating to deduction for certain expenses of living abroad).

Subsecs. (g), (h). Pub. L. 96-222, §101(a)(2)(E), redesignated subsec. (h) as (g).

1978—Subsec. (a). Pub. L. 95-600, §104(a), substituted “subtitle” for “chapter” and “\$5,000” for “\$4,000”.

Subsec. (b). Pub. L. 95-600, §104(b), substituted provision limiting the allowable credit to an amount not to exceed the excess of \$500 over 12.5 percent of so much of the adjusted gross income for the taxable year as exceeds \$6,000 for provision limiting the allowable credit to an amount reduced by 10 percent of so much of the adjusted gross income for the taxable year as exceeds \$4,000.

Subsec. (c)(1). Pub. L. 95-600, §104(e), amended par. (1) generally, substituting in definition of eligible individual one who is married and is entitled to a deduction under section 151 for a child, provided the child has the same principal abode as the individual and the abode is in the United States, is a surviving spouse, or is a head of household, provided the household is in the United States for one who maintains a household in the United States which is the principal abode of that individual and a child of that individual who meets the requirements of section 151(e)(1)(B) or a child of that individual who is disabled within the meaning of section 72(m)(7) and to whom the individual is entitled to claim a deduction under section 151.

Subsec. (c)(1)(C). Pub. L. 95-615, §202(f)(5), which directed the amendment of subsec. (c)(1)(B) by substituting “(relating to income earned by employees in certain camps)” for “(relating to earned income from sources without the United States)”, was executed to subsec. (c)(1)(C) to reflect the probable intent of Congress and the general amendment of subsec. (c)(1) by Pub. L. 95-600 which enacted provisions formerly contained in subsec. (c)(1)(B) in subsec. (c)(1)(C).

Subsec. (c)(2)(B). Pub. L. 95-600, §104(d), redesignated cls. (ii) to (iv) as (i) to (iii), respectively. Former cl. (i),

which provided that amounts be taken into account only if includible in the gross income of the taxpayer for the taxable year, was struck out.

Subsec. (f). Pub. L. 95-600, §104(c), added subsec. (f).

Subsec. (h). Pub. L. 95-600, §105(a), added subsec. (h). 1976—Subsec. (a). Pub. L. 94-455, §401(c)(1)(B), substituted “is allowed” for “shall be allowed” and struck out provisions relating to the application of the six-month rule.

Subsec. (b). Pub. L. 94-455, §401(c)(1)(B), struck out provisions relating to the application of the six-month rule.

Subsec. (c)(1)(A). Pub. L. 94-455, §401(c)(2), among other changes, substituted “section 44A(f)(1)” for “section 214(b)(3)” and “if such child meets the requirements of section 151(e)(1)(B)” for “with respect to whom he is entitled to claim a deduction under section 151(e)(1)(B)” and inserted reference to a child of that individual who is disabled (within the meaning of section 72(m)(7)) and with respect to whom that individual is entitled to claim a deduction under section 151.

1975—Subsec. (a). Pub. L. 94-164 designated existing provisions as par. (1) and added par. (2).

Subsec. (b). Pub. L. 94-164 designated existing provisions as par. (1) and added par. (2).

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE OF 2021 AMENDMENT

Pub. L. 117-2, title IX, §9621(c), Mar. 11, 2021, 135 Stat. 153, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2020.”

Pub. L. 117-2, title IX, §9622(b), Mar. 11, 2021, 135 Stat. 153, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2020.”

Pub. L. 117-2, title IX, §9623(c), Mar. 11, 2021, 135 Stat. 154, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2020.”

Pub. L. 117-2, title IX, §9624(c), Mar. 11, 2021, 135 Stat. 154, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2020.”

#### EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by section 101(a) of Pub. L. 115-141 effective as if included in the provision of the Protecting Americans from Tax Hikes Act of 2015, div. Q of Pub. L. 114-113, to which such amendment relates, see section 101(s) of Pub. L. 115-141, set out as a note under section 24 of this title.

#### EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114-113, div. Q, title I, §103(d), Dec. 18, 2015, 129 Stat. 3045, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2015.”

Pub. L. 114-113, div. Q, title II, §204(b), Dec. 18, 2015, 129 Stat. 3081, as amended by Pub. L. 115-141, div. U, title I, §101(h), Mar. 23, 2018, 132 Stat. 1162, provided that: “The amendment made by this section [amending this section] shall apply to any return of tax, and any amendment or supplement to any return of tax, which is filed after the date of the enactment of this Act [Dec. 18, 2015].”

#### EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-295, div. A, title II, §206(d), Dec. 19, 2014, 128 Stat. 4027, provided that: “The amendments made by this section [amending this section and sections

1397B and 2801 of this title and provisions set out as a note under section 2001 of this title] shall take effect as if included in the provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 [Pub. L. 111-312] to which they relate.”

Amendment by section 221(a)(3) of Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2012, see section 103(e)(1) of Pub. L. 112-240, set out as a note under section 24 of this title.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-312 applicable to taxable years beginning after Dec. 31, 2010, see section 103(d) of Pub. L. 111-312, set out as an Effective and Termination Dates of 2010 Amendment note under section 24 of this title.

Pub. L. 111-226, title II, §219(c), Aug. 10, 2010, 124 Stat. 2403, provided that: “The repeals and amendments made by this section [amending this section and sections 6012, 6051, and 6302 of this title and repealing section 3507 of this title] shall apply to taxable years beginning after December 31, 2010.”

#### EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1002(b), Feb. 17, 2009, 123 Stat. 312, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 2008.”

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

Amendment by section 4002(b)(1)(B), (2)(O) of Pub. L. 110-246 effective Oct. 1, 2008, see section 4407 of Pub. L. 110-246, set out as a note under section 1161 of Title 2, The Congress.

Pub. L. 110-245, title I, §102(d), June 17, 2008, 122 Stat. 1625, provided that: “The amendments made by this section [amending this section and section 6428 of this title] shall apply to taxable years ending after December 31, 2007.”

#### EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-432, div. A, title I, §106(b), Dec. 20, 2006, 120 Stat. 2938, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2006.”

#### EFFECTIVE DATE OF 2005 AMENDMENT

Pub. L. 109-135, title III, §302(b), Dec. 21, 2005, 119 Stat. 2608, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 2005.”

#### EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 110-245, title I, §102(c), June 17, 2008, 122 Stat. 1625, provided that: “Section 105 of the Working Families Tax Relief Act of 2004 [section 105 of Pub. L. 108-311, set out as a note under section 1 of this title] (relating to application of EGTRRA sunset to this title [probably means title I of Pub. L. 108-311, see Tables for classification]) shall not apply to section 104(b) of such Act [amending this section].”

Pub. L. 108-311, title I, §104(c)(2), Oct. 4, 2004, 118 Stat. 1169, provided that: “The amendments made by subsection (b) [amending this section] shall apply to taxable years ending after the date of the enactment of this Act [Oct. 4, 2004].”

Amendment by section 205 of Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

#### EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title IV, §416(a)(2), Mar. 9, 2002, 116 Stat. 55, provided that: “The amendment made by this subsection [amending this section] shall take effect as if included in section 474 of the Tax Reform Act of 1984 [Pub. L. 98-369].”

#### EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by section 201(c)(3) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2000, see section 201(e)(1) of Pub. L. 107-16, set out as a note under section 24 of this title.

Pub. L. 107-16, title III, §303(i), June 7, 2001, 115 Stat. 57, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and section 6213 of this title] shall apply to taxable years beginning after December 31, 2001.

“(2) SUBSECTION (g).—The amendment made by subsection (g) [amending section 6213 of this title] shall take effect on January 1, 2004.”

#### EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-170, title IV, §412(b), Dec. 17, 1999, 113 Stat. 1917, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1999.”

#### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title VI, §6021(c), July 22, 1998, 112 Stat. 824, provided that:

“(1) ELIGIBLE INDIVIDUALS.—The amendment made by subsection (a) [amending this section] shall take effect as if included in the amendments made by section 451 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [Pub. L. 104-193].

“(2) QUALIFYING CHILDREN.—The amendments made by subsection (b) [amending this section] shall take effect as if included in the amendments made by section 11111 of Revenue Reconciliation Act of 1990 [Pub. L. 101-508].”

Amendment by sections 6003(b) and 6010(p)(1), (2) of Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by section 101(b) of Pub. L. 105-34 applicable to taxable years beginning after Dec. 31, 1997, see section 101(e) of Pub. L. 105-34, set out as an Effective Date note under section 24 of this title.

Amendment by section 312(d)(2) of Pub. L. 105-34 applicable to sales and exchanges after May 6, 1997, with certain exceptions, see section 312(d) of Pub. L. 105-34, set out as a note under section 121 of this title.

Pub. L. 105-34, title X, §1085(e), Aug. 5, 1997, 111 Stat. 957, provided that:

“(1) The amendments made by subsection (a) [amending this section and sections 6213 and 6695 of this title] shall apply to taxable years beginning after December 31, 1996.

“(2) The amendments made by subsections (b), (c), and (d) [amending this section] shall apply to taxable years beginning after December 31, 1997.”

#### EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-193, title IV, §451(d), Aug. 22, 1996, 110 Stat. 2277, provided that: “The amendments made by this section [amending this section and section 6213 of this title] shall apply with respect to returns the due date for which (without regard to extensions) is more

than 30 days after the date of the enactment of this Act [Aug. 22, 1996].”

Pub. L. 104-193, title IX, §909(c), Aug. 22, 1996, 110 Stat. 2352, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1995.

“(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual’s taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.”

Pub. L. 104-193, title IX, §910(c), Aug. 22, 1996, 110 Stat. 2353, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1995.

“(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual’s taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.”

#### EFFECTIVE DATE OF 1995 AMENDMENT

Pub. L. 104-7, §4(b), Apr. 11, 1995, 109 Stat. 96, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1995.”

#### EFFECTIVE DATE OF 1994 AMENDMENT

Pub. L. 103-465, title VII, §721(d)(1), Dec. 8, 1994, 108 Stat. 5002, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1994.”

Pub. L. 103-465, title VII, §722(b), Dec. 8, 1994, 108 Stat. 5003, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1994.”

Pub. L. 103-465, title VII, §723(b), Dec. 8, 1994, 108 Stat. 5003, provided that: “The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1993.”

Pub. L. 103-465, title VII, §742(c), Dec. 8, 1994, 108 Stat. 5010, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and section 6109 of this title] shall apply to returns for taxable years beginning after December 31, 1994.

“(2) EXCEPTION.—The amendments made by this section shall not apply to—

“(A) returns for taxable years beginning in 1995 with respect to individuals who are born after October 31, 1995, and

“(B) returns for taxable years beginning in 1996 with respect to individuals who are born after November 30, 1996.”

#### EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-66, title XIII, §13131(e), Aug. 10, 1993, 107 Stat. 435, provided that: “The amendments made by this section [amending this section and sections 162, 213, and 3507 of this title] shall apply to taxable years beginning after December 31, 1993.”

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 11101(d)(1)(B) of Pub. L. 101-508 applicable to taxable years beginning after Dec. 31, 1990, see section 11101(e) of Pub. L. 101-508, set out as a note under section 1 of this title.

Pub. L. 101-508, title XI, §11111(f), Nov. 5, 1990, 104 Stat. 1388-413, provided that: “The amendments made by this section [amending this section and sections 162, 213, and 3507 of this title] shall apply to taxable years beginning after December 31, 1990.”

## EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

## EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by sections 104(b)(1)(B) and 111(a)-(d)(1) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, see section 151(a) of Pub. L. 99-514, set out as a note under section 1 of this title.

Amendment by section 1272(d)(4) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 1277 of Pub. L. 99-514, set out as a note under section 931 of this title.

Amendment by section 1301(j)(8) of Pub. L. 99-514 applicable to bonds issued after Aug. 15, 1986, except as otherwise provided, see sections 1311 to 1318 of Pub. L. 99-514, set out as an Effective Date; Transitional Rules note under section 141 of this title.

## EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 423(c)(3) of Pub. L. 98-369 applicable to taxable years beginning after Dec. 31, 1984, see section 423(d) of Pub. L. 98-369, set out as a note under section 2 of this title.

Pub. L. 98-369, div. A, title X, §1042(e), July 18, 1984, 98 Stat. 1044, provided that: “The amendments made by this section [amending sections 32 and 3507 of this title] shall apply to taxable years beginning after December 31, 1984.”

## EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-21 applicable to taxable years beginning after Dec. 31, 1989, see section 124(d)(2) of Pub. L. 98-21, set out as a note under section 1401 of this title.

## EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable with respect to taxable years beginning after Dec. 31, 1981, see section 115 of Pub. L. 97-34, set out as a note under section 911 of this title.

## EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-222, title I, §101(b)(1)(A), Apr. 1, 1980, 94 Stat. 205, provided that: “The amendment made by subsection (a)(1) [amending this section] shall apply to taxable years beginning after December 31, 1977.”

Pub. L. 96-222, title II, §201, Apr. 1, 1980, 94 Stat. 228, provided that: “Except as otherwise provided in title I, any amendment made by title I [see Tables for classification] shall take effect as if it had been included in the provision of the Revenue Act of 1978 [Pub. L. 95-600, see Tables for classification] to which such amendment relates.”

## EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-600, title I, §104(f), Nov. 6, 1978, 92 Stat. 2773, provided that: “The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1978.”

Pub. L. 95-600, title I, §105(g)(1), Nov. 6, 1978, 92 Stat. 2776, provided that: “The amendments made by subsections (a) and (d) [amending this section and section 6012 of this title] shall apply to taxable years beginning after December 31, 1978.”

## EFFECTIVE DATE OF 1978 AMENDMENT; ELECTION OF PRIOR LAW

Amendment by Pub. L. 95-615 applicable to taxable years beginning after Dec. 31, 1977, with provision for election of prior law, see section 209 of Pub. L. 95-615, set out as a note under section 911 of this title.

## EFFECTIVE AND TERMINATION DATES OF 1976 AMENDMENT

Pub. L. 94-455, title IV, §401(e), Oct. 4, 1976, 90 Stat. 1558, as amended by Pub. L. 95-30, title I, §103(c), May

23, 1977, 91 Stat. 139; Pub. L. 95-600, title I, §103(b), Nov. 6, 1978, 92 Stat. 2771, provided that: “The amendments made by subsection (a) [amending sections 43 [now 32] and 6096 of this title] shall apply to taxable years ending after December 31, 1975, and shall cease to apply to taxable years ending after December 31, 1978. The amendments made by subsection (c) [amending this section] shall apply to taxable years ending after December 31, 1975. The amendments made by subsection (b) [amending sections 141 and 6012 of this title] shall apply to taxable years ending after December 31, 1975. The amendments made by subsection (d) [amending section 3402 of this title] shall apply to wages paid after September 14, 1976.”

## EFFECTIVE AND TERMINATION DATES OF 1975 AMENDMENT

Pub. L. 94-164, §2(g), Dec. 23, 1975, 89 Stat. 972, as amended by Pub. L. 94-455, §402(b), provided that: “The amendments made by this section [amending sections 43 [now 32], 141, 3402, and 6012 of this title and provisions set out as notes under sections 42 and 43 [now 32] of this title] (other than by subsection (d) [enacting provisions set out as a note under this section]) apply to taxable years ending after December 31, 1975, and before January 1, 1978. Subsection (d) applies to taxable years ending after December 31, 1975.”

Pub. L. 94-12, title II, §209(b), Mar. 29, 1975, 89 Stat. 35, as amended by Pub. L. 94-164, §2(f), Dec. 23, 1975, 89 Stat. 972; Pub. L. 94-455, title IV, §401(c)(1)(A), Oct. 4, 1976, 90 Stat. 1557; Pub. L. 95-30, title I, §103(b), May 23, 1977, 91 Stat. 139; Pub. L. 95-600, title I, §103(a), Nov. 6, 1978, 92 Stat. 2771, provided that: “The amendments made by section 204 [enacting this section and amending sections 6201 and 6401 of this title] shall apply to taxable years beginning after December 31, 1974.”

## SAVINGS PROVISION

For provisions that nothing in amendment by section 401(b)(4) of Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

## INFORMATION RETURN MATCHING

Pub. L. 117-2, title IX, §9621(b), Mar. 11, 2021, 135 Stat. 153, provided that: “As soon as practicable, the Secretary of the Treasury (or the Secretary’s delegate) shall develop and implement procedures to use information returns under section 6050S (relating to returns relating to higher education tuition and related expenses) to check the status of individuals as specified students for purposes of section 32(n)(1)(B)(ii) of the Internal Revenue Code of 1986 (as added by this section).”

## TEMPORARY SPECIAL RULE FOR DETERMINING EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT

Pub. L. 117-2, title IX, §9626, Mar. 11, 2021, 135 Stat. 157, provided that:

“(a) IN GENERAL.—If the earned income of the taxpayer for the taxpayer’s first taxable year beginning in 2021 is less than the earned income of the taxpayer for the taxpayer’s first taxable year beginning in 2019, the credit allowed under section 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

“(1) such earned income for the taxpayer’s first taxable year beginning in 2019, for

“(2) such earned income for the taxpayer’s first taxable year beginning in 2021.

“(b) EARNED INCOME.—

“(1) IN GENERAL.—For purposes of this section, the term ‘earned income’ has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.

“(2) APPLICATION TO JOINT RETURNS.—For purposes of subsection (a), in the case of a joint return, the

earned income of the taxpayer for the first taxable year beginning in 2019 shall be the sum of the earned income of each spouse for such taxable year.

“(c) SPECIAL RULES.—

“(1) ERRORS TREATED AS MATHEMATICAL ERRORS.—For purposes of section 6213 of the Internal Revenue Code of 1986, an incorrect use on a return of earned income pursuant to subsection (a) shall be treated as a mathematical or clerical error.

“(2) NO EFFECT ON DETERMINATION OF GROSS INCOME, ETC.—Except as otherwise provided in this subsection, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under subsection (a).

“(d) TREATMENT OF CERTAIN POSSESSIONS.—

“(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section (other than this subsection) with respect to section 32 of the Internal Revenue Code of 1986. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

“(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section (other than this subsection) with respect to section 32 of the Internal Revenue Code of 1986 if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

“(3) MIRROR CODE TAX SYSTEM.—For purposes of this section, the term ‘mirror code tax system’ means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.”

TEMPORARY SPECIAL RULE FOR DETERMINATION OF EARNED INCOME

Pub. L. 116-260, div. EE, title II, §211, Dec. 27, 2020, 134 Stat. 3066, provided that:

“(a) IN GENERAL.—If the earned income of the taxpayer for the taxpayer's first taxable year beginning in 2020 is less than the earned income of the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

“(1) such earned income for the preceding taxable year, for

“(2) such earned income for the taxpayer's first taxable year beginning in 2020.

“(b) EARNED INCOME.—

“(1) IN GENERAL.—For purposes of this section, the term ‘earned income’ has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.

“(2) APPLICATION TO JOINT RETURNS.—For purposes of subsection (a), in the case of a joint return, the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

“(c) SPECIAL RULES.—

“(1) ERRORS TREATED AS MATHEMATICAL ERROR.—For purposes of section 6213 of the Internal Revenue Code of 1986, an incorrect use on a return of earned income pursuant to subsection (a) shall be treated as a mathematical or clerical error.

“(2) NO EFFECT ON DETERMINATION OF GROSS INCOME, ETC.—Except as otherwise provided in this section, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under subsection (a).”

STUDY ON EARNED INCOME TAX CREDIT CERTIFICATION PROGRAM

Pub. L. 108-199, div. F, title II, §206, Jan. 23, 2004, 118 Stat. 319, provided that:

“(a) STUDY.—The Internal Revenue Service shall conduct a study, as a part of any program that requires certification (including pre-certification) in order to claim the earned income tax credit under section 32 of the Internal Revenue Code of 1986, on the following matters:

“(1) The costs (in time and money) incurred by the participants in the program.

“(2) The administrative costs incurred by the Internal Revenue Service in operating the program.

“(3) The percentage of individuals included in the program who were not certified for the credit, including the percentage of individuals who were not certified due to—

“(A) ineligibility for the credit; and

“(B) failure to complete the requirements for certification.

“(4) The percentage of individuals to whom paragraph (3)(B) applies who were—

“(A) otherwise eligible for the credit; and

“(B) otherwise ineligible for the credit.

“(5) The percentage of individuals to whom paragraph (3)(B) applies who—

“(A) did not respond to the request for certification; and

“(B) responded to such request but otherwise failed to complete the requirements for certification.

“(6) The reasons—

“(A) for which individuals described in paragraph (5)(A) did not respond to requests for certification; and

“(B) for which individuals described in paragraph (5)(B) had difficulty in completing the requirements for certification.

“(7) The characteristics of those individuals who were denied the credit due to—

“(A) failure to complete the requirements for certification; and

“(B) ineligibility for the credit.

“(8) The impact of the program on non-English speaking participants.

“(9) The impact of the program on homeless and other highly transient individuals.

“(b) REPORT.—

“(1) PRELIMINARY REPORT.—Not later than July 30, 2004, the Commissioner of the Internal Revenue Service shall submit to Congress a preliminary report on the study conducted under subsection (a).

“(2) FINAL REPORT.—Not later than June 30, 2005, the Commissioner of the Internal Revenue Service shall submit to Congress a final report detailing the findings of the study conducted under subsection (a).”

PROGRAM TO INCREASE PUBLIC AWARENESS

Secretary of the Treasury, or Secretary's delegate, to establish taxpayer awareness program to inform tax-paying public of availability of earned income credit and child health insurance under this section, see section 11114 of Pub. L. 101-508, set out as a note under section 21 of this title.

EMPLOYEE NOTIFICATION

Pub. L. 99-514, title I, §111(e), Oct. 22, 1986, 100 Stat. 2108, provided that: “The Secretary of the Treasury is

directed to require, under regulations, employers to notify any employee who has not had any tax withheld from wages (other than an employee whose wages are exempt from withholding pursuant to section 3402(n) of the Internal Revenue Code of 1986) that such employee may be eligible for a refund because of the earned income credit.”

**DISREGARD OF REFUND FOR DETERMINATION OF  
ELIGIBILITY FOR FEDERAL BENEFITS OR ASSISTANCE**

Pub. L. 94-164, §2(d), Dec. 23, 1975, 89 Stat. 972, as amended by Pub. L. 94-455, title IV, §402(a), Oct. 4, 1976, 90 Stat. 1558; Pub. L. 95-600, title I, §105(f), Nov. 6, 1978, 92 Stat. 2776; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: “Any refund of Federal income taxes made to any individual by reason of section 43 [now 32] of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (relating to earned income credit), and any payment made by an employer under [former] section 3507 of such Code (relating to advance payment of earned income credit) shall not be taken into account in any year ending before 1980 as income or receipts for purposes of determining the eligibility, for the month in which such refund is made or any month thereafter of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds, but only if such individual (or the family unit of which he is a member) is a recipient of benefits or assistance under such a program for the month before the month in which such refund is made.”

[Pub. L. 95-600, title I, §105(g)(3), Nov. 6, 1978, 92 Stat. 2776, provided that: “Subsection (f) [amending section 2(d) of Pub. L. 94-164, set out above] shall take effect on the date of enactment of this Act [Nov. 6, 1978].”]

**§ 33. Tax withheld at source on nonresident  
aliens and foreign corporations**

There shall be allowed as a credit against the tax imposed by this subtitle the amount of tax withheld at source under subchapter A of chapter 3 (relating to withholding of tax on non-resident aliens and on foreign corporations).

(Aug. 16, 1954, ch. 736, 68A Stat. 13, §32; renumbered §33 and amended Pub. L. 98-369, div. A, title IV, §§471(c), 474(j), July 18, 1984, 98 Stat. 826, 832.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 33 was renumbered section 27 of this title.

**AMENDMENTS**

1984—Pub. L. 98-369, §471(c), renumbered section 32 of this title as this section.

Pub. L. 98-369, §474(j), amended section generally, striking out “and on tax-free covenant bonds” after “foreign corporations” in section catchline, and, in text, substituting “as a credit against the tax imposed by this subtitle” for “as credits against the tax imposed by this chapter”, and striking out designation “(1)” before “the amount of tax withheld”, and “, and (2) the amount of tax withheld at source under subchapter B of chapter 3 (relating to interest on tax-free covenant bonds)” after “on foreign corporations”).

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 1984 AMENDMENT**

Pub. L. 98-369, div. A, title IV, §475(b), July 18, 1984, 98 Stat. 847, provided that: “The amendments made by subsections (j) and (r)(29) [amending this section and sections 12, 164, 1441, 1442, 6049, and 7701 of this title and

repealing section 1451 of this title] shall not apply with respect to obligations issued before January 1, 1984.”

**§ 34. Certain uses of gasoline and special fuels**

**(a) General rule**

There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the amounts payable to the taxpayer—

- (1) under section 6420 (determined without regard to section 6420(g)),
- (2) under section 6421 (determined without regard to section 6421(i)), and
- (3) under section 6427 (determined without regard to section 6427(k)).

**(b) Exception**

Credit shall not be allowed under subsection (a) for any amount payable under section 6421 or 6427, if a claim for such amount is timely filed and, under section 6421(i) or 6427(k), is payable under such section.

(Added Pub. L. 89-44, title VIII, 809(c), June 21, 1965, 79 Stat. 167, §39; amended Pub. L. 91-258, title II, §207(c), May 21, 1970, 84 Stat. 248; Pub. L. 94-455, title XIX, §§1901(a)(3), 1906(b)(8), (9), Oct. 4, 1976, 90 Stat. 1764, 1834; Pub. L. 94-530, §1(c)(1), Oct. 17, 1976, 90 Stat. 2487; Pub. L. 95-599, title V, §505(c)(1), Nov. 6, 1978, 92 Stat. 2760; Pub. L. 95-618, title II, §233(b)(2)(C), Nov. 9, 1978, 92 Stat. 3191; Pub. L. 96-223, title II, §232(d)(4)(A), Apr. 2, 1980, 94 Stat. 278; Pub. L. 97-424, title V, §515(b)(6)(A)–(C), Jan. 6, 1983, 96 Stat. 2181; renumbered §34 and amended Pub. L. 98-369, div. A, title IV, §471(c), title IX, §911(d)(2)(A), July 18, 1984, 98 Stat. 826, 1006; Pub. L. 99-514, title XVII, §1703(e)(2)(F), title XVIII, §1877(a), Oct. 22, 1986, 100 Stat. 2778, 2902; Pub. L. 100-647, title I, §1017(c)(2), Nov. 10, 1988, 102 Stat. 3576; Pub. L. 104-188, title I, §1606(b)(1), Aug. 20, 1996, 110 Stat. 1839; Pub. L. 105-206, title VI, §6023(24)(B), July 22, 1998, 112 Stat. 826; Pub. L. 110-172, §11(a)(4), Dec. 29, 2007, 121 Stat. 2484.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 34, acts Aug. 16, 1954, ch. 736, 68A Stat. 13; June 25, 1959, Pub. L. 86-69, §3(a)(1), 73 Stat. 139; Sept. 14, 1960, Pub. L. 86-779, §10(e), 74 Stat. 1009; Feb. 26, 1964, Pub. L. 88-272, title II, §201(a), 78 Stat. 31, related to dividends received by individuals, prior to repeal by Pub. L. 88-272, title II, §201(b), Feb. 26, 1964, 78 Stat. 31, effective with respect to dividends received after Dec. 31, 1964.

**AMENDMENTS**

2007—Subsec. (a)(1). Pub. L. 110-172, §11(a)(4)(A), struck out “with respect to gasoline used during the taxable year on a farm for farming purposes” before “(determined without regard to section 6420(g))”.

Subsec. (a)(2). Pub. L. 110-172, §11(a)(4)(B), which directed striking out “with respect to gasoline used during the taxable year: (A) otherwise than as a fuel in a highway vehicle; or (B) in vehicles while engaged in furnishing certain public passenger land transportation service”, was executed by striking out “with respect to gasoline used during the taxable year (A) otherwise than as a fuel in a highway vehicle or (B) in vehicles while engaged in furnishing certain public passenger land transportation service” before “(determined without regard to section 6421(i))”, to reflect the probable intent of Congress.