

# Line Instructions

Round amounts to the nearest whole dollar.

## Line 1

Use the Worksheet for Earned Income below to determine the amount for line 1. You must use your 2022 earned income when completing this worksheet.

### Worksheet for Earned Income

- 1 Line 1 of federal Form 1040 or 1040-SR. Include any Medicaid Waiver Payments you received that are not already included on line 1 of Form 1040. Church employees and clergy, see instructions below for Step 1. ....
- 2 Amount from step 4 of Earned income adjustment worksheet from line 35 of Schedule M1NC. ....
- 3 Add Steps 1 and 2. ....
- 4 Any amount included on line 1 of Form 1040 or 1040-SR that is a taxable scholarship or fellowship grant not reported on a Form W-2 ....
- 5 Any amount included on line 1 of Form 1040 or 1040-SR that you received for work performed while an inmate in a penal institution ....
- 6 Amount included on line 1 of Form 1040 or 1040-SR that you received as a pension or annuity from a nonqualified deferred compensation plan or nongovernmental section 457 plan. See instructions below for Step 6 ....
- 7 Add lines 4, 5, and 6. ....
- 8 Subtract step 7 from step 3. See instructions for Step 8 if you were self-employed and had other earned income. ....
- 9 Enter all of your nontaxable combat pay if you elect to include it in earned income ....
- 10 Add lines 8 and 9. Enter this amount on line 1 of this schedule. ....

### Instructions for Worksheet for Earned Income

#### Step 1

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

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

#### Step 2

If completed Schedule M1NC and had an amount on lines 4, 10 through 12, or 15 through 25, use the Earned Income Adjustment instructions on line 35 of Schedule M1NC to determine the amount to enter on step 2.

#### Step 6

This amount may be shown in box 11 of Form W-2. If you received this type of income, but box 11 is blank, contact your employer for the amount received.

#### Step 8

If you were self-employed, filing federal Schedule SE as a member of the clergy, had church employee income, or are filing federal Schedule C as a statutory employee, use this amount on line 4a of Worksheet B of the instructions for line 27 of Form 1040. Complete the federal worksheet and enter the amount from Step 6 of EIC Worksheet B on line 1 of this schedule.

If you were not self-employed, enter the amount from step 10 of the Worksheet for Earned Income on line 1 of this schedule.

## Line 3

Enter the amount from line 1 of Form M1. If you completed Schedule M1NC, enter the amount from **line 37**. If line 3 of Schedule M1WFC is the same as line 1, skip line 4 and enter the amount from line 2 on line 5.

## Line 4

If you answered no on line 4, use the amount from line 3, your filing status, and number of qualifying children to find the credit amount using the Working Family Credit Table in the Form M1 instructions.

## Line 6 — Part-year residents

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

**If your gross income is less than \$12,900**, you should have entered zero on **line 28** of Schedule M1NR, *Nonresidents/Part-Year Residents*. To determine this credit, fully complete Schedule M1NR (do not skip lines 16-27) to determine what the amounts would have been. Then, complete the Worksheet for Line 6 below.

### Worksheet for Line 6 (for part-year residents whose Minnesota gross income is less than \$12,900)

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

- 1 Line 15, column B, of Schedule M1NR .....
- 2 Line 27, column B, of Schedule M1NR .....
- 3 Subtract step 2 from step 1. (If result is zero or less, **STOP HERE**. You do not qualify for the credit) .....
- 4 Line 29 of Schedule M1NR .....
- 5 Divide step 3 by step 4 and enter the result as a decimal (carry to five decimal places). If step 3 is more than step 4, enter 1.0. Enter the result on the space provided on line 6 of Schedule M1WFC .....
- 6 Amount from line 5 of Schedule M1WFC .....
- 7 Multiply step 5 by step 6. Enter the result on line 6 of Schedule M1WFC and on line 2 of Schedule M1REF .....