

Form 8867, Paid Preparer's Earned Income Credit Checklist

- Form 8867 was designed to ensure paid preparers considered all EITC requirements when preparing an EITC return
- Form 8867 contains 19 questions covering EITC qualifications
- The paid preparer is expected to ask questions of the client and explain the questions when needed
- The last 4 questions on Form 8867 address the preparer's due diligence responsibilities (added in December 2006)

Form 8867, Part I, addresses EITC requirements for all taxpayers

- Filing status
- Valid Social Security number -Ideally Social Security cards should be reviewed by preparer
- Foreign Earned Income exclusion
- Non-resident Alien status
- Investment Income
- Whether taxpayer is a qualifying child of another

Form 8867, Part II , addresses EITC requirements for taxpayers with a qualifying child

- Relationship of child
- Marital status of child
- Residency of child
- Age of child
- Valid Social Security Number for child
- Whether child is a qualifying child of another taxpayer
- Tie-breaker rule application
- Overall income limits for EITC

Form 8867, Part III, addresses EITC requirements for taxpayers without a qualifying child

- Residency of taxpayer
- Age of taxpayer
- Whether taxpayer can be claimed as a dependant on another return
- Overall Income limitation for EITC

Form 8867, Part IV, addresses the paid preparer's due diligence requirements

- Was Form 8867 prepared based on info provided by the taxpayer reasonably obtained by the preparer?
- Was EIC worksheet completed?
- Did the practitioner comply with the knowledge requirement of IRC § 6695(g)?
- Did the preparer keep the records required by IRC § 6695(g)?