



## Information about your 2014 Tax Return

# Make sure the income and expenses you reported on your Schedule C or Schedule C-EZ are correct

To report self-employment income as earned income for the Earned Income Tax Credit (EITC), you must carry on a trade or business with a profit motive or receive taxable compensation for performing services on a part-time basis and you must report all your income and expenses

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### What you need to do

You claimed the EITC on your 2014 tax return based on self-employment income. Review your tax return to determine if all of the following statements are true about the income and expenses you reported on Schedule C or C-EZ:

- The income and expenses you reported on Schedule C or C-EZ were directly related to:
  - A trade or business you operated with a profit motive, or
  - Services you performed on a part-time basis or occasional "odd jobs" for which you received taxable compensation.

Note: You don't need a business name or a formal business structure in order to be self-employed.
- You reported all income and all expenses from these activities.
- You did not include any of the following types of income on Schedule C or C-EZ:
  - Income received from social security benefits (including disability benefits)
  - Child support
  - Welfare benefits
  - Income from hobbies
  - Unemployment compensation

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## Next steps

Review your Schedule C or C-EZ income and expenses on your Schedule C or C-EZ.

If the income and expenses on Schedule C or C-EZ are correct, you don't need to do anything.

If the income and expenses on Schedule C or C-EZ are not correct, correct your tax return by filing a Form 1040X, *Amended U.S. Individual Income Tax Return*. The instructions for this form will guide you through the steps to correct your tax return. Mail your amended tax return to the IRS service center shown in the instructions for Form 1040X.

Remember when you file your 2015 tax return next year to:

- Include income and expenses on Schedule C or C-EZ when you carry on a trade or business with a profit motive or when you receive taxable compensation for performing services on a part-time basis or doing occasional "odd jobs."
- Include all your income and all your expenses for the activities you report on Schedule C or C-EZ.
- Visit [www.irs.gov/eitc](http://www.irs.gov/eitc) to review all rules regarding EITC eligibility.

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## Additional information

- You can also find the following online:
  - For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX FORM (1-800-829-3676).
  - Publication 334, *Tax Guide For Small Business (For Individuals Who Use Schedule C or C-EZ)*, to learn about the types of income and expenses that you should include on Schedule C or C-EZ.
  - Publication 596, *Earned Income Credit* rules for EITC eligibility.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us at 1-866-897-0177.

If you need additional information or an explanation, please visit our website at [www.irs.gov/eitc](http://www.irs.gov/eitc) and click on the link that says "EITC Assistant."

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