

## How EITC is Calculated

- The EITC is computed from a table based upon your Earned Income, your Filing Status, and the number of eligible dependents.
- If your Adjusted Gross Income is greater than your Earned Income, then the EITC is computed on both amounts and the EITC allowed is the lower amount.
- **Earned** income includes all earned income, including self-employment income (minus 1/2 of the self-employment tax paid.)
- Your **Unearned** income includes Unemployment Compensation, Dividends, Interest, Investment Income, Retirement Income, gambling winnings (unless schedule C), scholarships, and penal income, alimony, child support..

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