
Rule 2.
Married Person's Filing Status

Rule 2 Your Filing Status Cannot Be "Married Filing Separately"

If you are married, you usually must file a joint return to claim the EIC. Your filing status cannot be "Married filing separately."

Spouse did not live with you. If you are married and your spouse did not live in your home at any time during the last 6 months of the year, you may be able to file as head of household, instead of married filing separately. In that case, you may be able to claim the EIC. For detailed information about filing as head of household, see Publication 501, *Exemptions, Standard Deduction, and Filing Information*.

Rule 3.
Nonresident Alien

Rule 3 You Must Be a U.S. Citizen or Resident Alien All Year

You cannot claim the earned income credit if you are a nonresident alien for any part of the year, unless:

- 1) You are married to a U.S. citizen or a resident alien, **and**
- 2) You choose to be treated as a resident for all of 2000 by filing a joint return. If you need more information on making this choice, get Publication 519, *U.S. Tax Guide for Aliens*.

Note. If you make the choice in (2) above, you and your spouse are taxed on your worldwide income. You cannot claim any tax treaty benefits as a resident of a foreign country during a tax year in which the choice is in effect.

Rule 4.
Foreign Earned Income

Rule 4 You Cannot File Form 2555 or Form 2555-EZ

You cannot claim the earned income credit if you file Form 2555, *Foreign Earned Income*, or Form 2555-EZ, *Foreign Earned Income Exclusion*. You file these forms to exclude income earned in foreign countries from your gross income, or to deduct or exclude a foreign housing amount. U.S. possessions are not foreign countries. See Publication 54, *Tax Guide for U.S. Citizens and Resident Aliens Abroad*, for more detailed information.

Rule 5.
Investment Income

Rule 5 Your Investment Income Must Be \$2,400 or Less

You cannot claim the earned income credit unless your investment income is \$2,400 or less. If your investment income is more than \$2,400, you cannot claim the credit.

Form 1040EZ. If you file Form 1040EZ, your investment income is the total of the amounts on line 2 and any tax-exempt interest you wrote in the space to the right of the words "Form 1040EZ" on line 2 of that form.

Form 1040A. If you file Form 1040A, your investment income is the total of the amounts on lines 8a (taxable interest), 8b (tax-exempt interest), 9 (ordinary dividends), and 10 (capital gain distributions) of that form.