

[3] Earned Income Tax Credit: More workers without qualifying children were able to claim the earned income tax credit (EITC) on their 2021 tax return, including both younger and older Americans. The "childless EITC" amounts were higher, too. However, once again, those enhancements expired at the end of last year.

Without the 2021 improvements in place, the minimum age for a childless worker to claim the EITC jumps back up to 25 for 2022 tax returns (it was 19 in 2021). The maximum age limit (65 years of old), which was eliminated for the 2021 tax year, is also back in play for 2022. The maximum credit available for childless workers also plummets from \$1,502 to \$560 for the 2022 tax year. Expanded eligibility rules for former foster youth and homeless youth that applied for 2021 are dropped as well. In addition, the rule allowing you to use your 2019 earned income to calculate your EITC if it boosted your credit amount no longer applies.

There are also several inflation-based adjustments that modify the EITC for the 2022 tax year. For example, the maximum credit amount is increased from \$3,618 to \$3,733 for workers with one child, from \$5,980 to \$6,164 for workers with two children, and from \$6,728 to \$6,935 for workers with three or more children. The earned income required to claim the maximum EITC is also adjusted annually for inflation. For 2022, it's \$10,980 if you have one child (\$10,640 for 2021), \$15,410 if you have two or more children (\$14,950 for 2021), and \$7,320 if you have no children (\$7,100 for 2021).

The EITC phase-out ranges are adjusted each year to account for inflation, too. For 2022, the credit starts to phase out for joint filers with children if the greater of their adjusted gross income (AGI) or earned income exceeds \$26,260 (\$25,470 for 2021). It's completely phased out for those taxpayers if their AGI or earned income is at least \$49,622 if they have one child (\$48,108 for 2021), \$55,529 if they have two children (\$53,865 for 2021), or \$59,187 if they have three or more children (\$57,414 for 2021). For other taxpayers with children, the 2022 phase-out ranges are \$20,130 to \$43,492 for people with one child (\$19,520 to \$42,158 for 2021), \$20,130 to \$49,399 for people with two children (\$19,520 to \$47,915 for 2021), and \$20,130 to \$53,057 for people with more than two children (\$19,520 to \$51,464 for 2021). If you don't have children, the 2022 phase-out range is \$15,290 to \$22,610 for joint filers (\$14,820 to \$21,920 for 2021) and \$9,160 to \$16,480 for other people (\$8,880 to \$15,980 for 2021).

Finally, the limit on a worker's investment income is increased to \$10,300 (\$10,000 for 2021).