

Child Tax Credit 2021: Resource Sheet

Overview

The 2021 Enhanced Child Tax Credit is \$3,000 per qualified dependent child ages 6-17 and \$3,600 per qualified dependent child ages 0-5 for the tax year 2021. The entire credit is FULLY refundable and \$0 income is required to qualify.

The advance payments will be **up to \$300 per month** for each qualifying child 0-5 years of age and up to **\$250 per month** for each qualifying child 6-17 years of age.

IRS will issue advance tax credit payments on 07/15, 08/13, 09/15, 10/15, 11/15 and 12/15

Eligibility

The new maximum credit is available to taxpayers with a modified adjusted gross income (AGI) of:

- \$75,000 or less for filing single,
- \$112,500 or less for filing heads of household, and
- \$150,000 or less for filing married couples filing a joint return and qualified widows and widowers.

For most people, modified AGI is the amount shown on Line 11 of their 2020 Form 1040 or 1040-SR. Above these income thresholds, the extra amount above the previous \$2,000 credit — either \$1,000 or \$1,600 per child — is reduced by \$50 for every extra \$1,000 in modified AGI.

Important Websites

- Filing your 2020 tax return FREE: <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
- If you are NOT required to file a tax return, enter your information with the non-filer tool: <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>
- For updates and more information: <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>
- To update your information with the IRS or opt-out of the advanced payments: <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>
- Tax Resources
 - Free Tax Prep Help: <https://irs.treasury.gov/freetaxprep/>
 - Ariva Tax Prep: (718) 292-2983, or email (info@Ariva.org); ariva.org

Reminders

- The advance child tax credit received is NOT considered taxable income.
- The advance credit payments will NOT affect any government benefits you receive.
- If you received more credit than you deserve, you may need to **repay** it.
 - You may choose to NOT receive the advanced child credit if you want a one-time payment in 2022 on your tax return or if you are not sure how much you would qualify for.
 - Consider opting out if there is a change in claiming dependents in 2021.
- If you didn't receive the advanced credit or choose to opt-out of the advanced payments, it will be reconciled on your 2021 tax return.