

The Child Tax Credit: An important lifeline for families

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You may have heard that the federal Child Tax Credit (CTC) is larger and is available to more families this year because of changes made by Congress in the American Rescue Plan in March 2021. In order to receive the new credit, **you may need to take some steps to ensure you get the funds.**

How does my family receive the credit?

If you filed a 2019 or 2020 tax return and are eligible for the credit	If you have <u>not</u> filed a tax return and you are eligible for the credit
<ul style="list-style-type: none">• No action is required• You should have started receiving automatic payments on July 15, 2021• If your family situation has changed you can update it or unenroll in advance payments at: https://irs.gov/childtaxcredit2021	<ul style="list-style-type: none">• File a full 2020 tax return to receive advance payments by 10/15/2021 OR• Claim the credit using the simplified sign-up tool by 11/15/2021 OR• Wait to file 2021 tax return in 2022 and receive the full credit at that time (see below for more information)

Is my family eligible for the credit?

Your family qualifies for the credit if:

- The child is your son, daughter, grandchild, stepchild or adopted child; younger sibling, step-sibling, half-sibling, or their descendent; or a foster child placed with you by a government agency.
- The child was under 17 at the end of 2020.
- The **child** has a valid Social Security Number.
- The child lived with you for more than half of 2021.
- The child did not provide over half of their own support for 2021.

IMMIGRANT FAMILIES: Please note that you can apply for and receive a tax credit with **NO** negative effect on any immigration application you might file. Immigration does **NOT** ask about tax credits or consider them negatively in your immigration application process.

What's new about the Child Tax Credit for tax year 2021?

Although the Child Tax Credit is not completely new, there are some changes that are currently temporary for the 2021 tax year.

- 1. AMOUNT OF THE CREDIT:** There is **no limit** on the amount of the credit you can receive as a refund. The annual maximum credit per child has increased to \$3,000 for children ages 6-17 and \$3,600 for children under age 6.
- 2. WHEN THE CREDIT IS PAID:** Instead of receiving your 2021 credit next year, you can receive your credit in MONTHLY PAYMENTS, starting **now**.
 - a. If you started receiving the payments on July 15, 2021, those payments would be \$250 per month for each child between the ages of 6-17, and \$300 for each child under age 6. If you apply for the credit now (after July 15, 2021), the monthly payments will be larger because you are “catching up” on the payments you’ve missed.
 - b. You will then receive an additional check for the rest of the tax credit when you file your 2021 taxes next year.
- 3. AGE OF CHILDREN ELIGIBLE:** Families with children age 17 are now eligible to receive the credit.
- 4. INCOME CAPS:** The amount of the credit you can receive decreases if your income is above the following, depending on your filing status:
 1. \$150,000 for married couples filing jointly
 2. \$112,500 for heads of household
 3. \$75,000 for single filers or if filing separately

Additional information for those who have not filed a tax return with the IRS in 2019 or 2020:

- **Simplified Sign-Up Tool:** This website was developed with the IRS and is an official way to sign up to receive the Child Tax Credit if you are eligible. This is available in Spanish and English and is mobile-friendly. **The deadline to sign-up to receive the advance payments of the Child Tax Credit is November 15, 2021. After that you will need to file a 2021 tax return, in 2022, to receive the whole credit at one time.** To use the simplified tool you need to:
 - Have income less than \$12,400 for single filers or those filing separately, or \$24,800 for joint filers
 - Have a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)
 - Have not filed a tax return so far for tax year 2020
- **Tax filing options**
 - Even if you don't normally need to file taxes, doing so might have some benefits this year. If you file a full tax return, you can also receive all three stimulus checks and the Earned Income Tax Credit (EITC) (if you are eligible). If you only use the non-filer tool described above, you will not receive these additional credits.
 - Search for a Volunteer Income Tax Assistance (VITA) site near you for free and expert assistance: <https://irs.treasury.gov/freetaxprep/>
 - Free filing options through the IRS at irs.gov/freefile. IRS Free File is a program that connects lower-income taxpayers to free tax preparation services provided by private companies. Some of the Free File programs offer tax preparation in Spanish.
 - Free filing online for those earning \$66,000 or less per year
 - English: <https://www.getyourrefund.org/en>
 - Spanish: <https://www.getyourrefund.org/es>

For more information visit: getCTC.org or childtaxcredit.gov