



The 2021 Child Tax Credit (CTC)

Good news! The CTC has been expanded for 2021. The 2021 CTC is a higher amount, and part of it may be paid in advance.

The CTC is a **tax credit that helps lower-income taxpayers with children**. Traditionally, when a tax return is filed, a CTC lowers YOUR tax bill, and some of the credit amount may even be paid out as part of a tax refund.

What's new?

- The 2021 CTC will include children who turn 17 in 2021.
- It is worth more than last year: now \$3,000 per year, per child, age 6 - 17 and \$3,600 per child under 6.
- For most people, the IRS will start automatically paying part of the 2021 CTC monthly from mid-July 2021 through December 2021. Advance payments can be as high as \$300 per month and cannot be offset (taken) for most debts.
- You don't need to have any income to qualify for the full 2021 CTC benefit.

Who is eligible for the 2021 CTC?

To get the payments, your family needs to bring in less than a certain amount of income and have at least one 'qualifying child.' One of the 'qualifying child' requirements is:

- The child must be your son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, your grandchild, niece, or nephew). An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

Who can get the maximum 2021 CTC amounts?

- Married taxpayers filing jointly (or filing as qualifying widow or widower) with a combined income of \$150,000 or less
- Head-of-Household taxpayers with income of \$112,500 or less
- Taxpayers who file as Single or Married-filing-separately, with income of \$75,000 or less

For people who make more than these limits, the credit amount gets smaller as income goes up, until the credit becomes zero. Qualifying is based on modified adjusted gross income.

What do I need to do?

Make sure the IRS has your correct information. Advance 2021 CTC payments will be estimated from info on your 2019 or 2020 tax return **OR** from info you gave the IRS in 2020 to get your Economic Impact Payments (EIPs). If the IRS has incorrect info, your CTC could go to the wrong address or you could get the wrong amount (including \$0). Here are ways to get correct info to the IRS:

- **Filing your 2020 tax return** if you have not already done so
- Using the IRS '**Advance Child Tax Credit 2021**' webpage www.IRS.gov/childtaxcredit2021 to update your info. You can also register for advance payments (non-filers only), check your eligibility, or opt-out from advance payments.

NOTE: the IRS is still adding functions to this webpage. Check it for updates frequently.