

# IMPORTANT ANNOUNCEMENT

## CHILD TAX CREDIT GUIDANCE FOR FAMILIES

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### Major Tax Relief for Nearly All Working Families

The Child Tax Credit in the American Rescue Plan provides the largest Child Tax Credit ever and historic relief to the most working families ever – and most families will automatically receive monthly payments without having to take any action.

Starting July 15 and continuing through December 2021, the new Child Tax Credit in the American Rescue Plan (ARP) Act provides monthly benefits of \$250 per child between ages 6-17 and \$300 per child under age 6. The IRS will pay half the total credit amount in advance monthly payments. Families will claim the other half when they file their 2021 income tax return. The IRS will make the first advance payment on July 15, 2021 and will continue to make payments on the 15<sup>th</sup> of each month throughout 2021. Families that used direct deposit for their tax return refunds will receive these payments in their bank account. Families that don't use direct deposit will receive their payment by mail around the same time.

Advance Child Tax Credit payments are advance payments of a family's 2021 Child Tax Credit. Advance Child Tax Credit payments are not income and will not be reported as income on families' 2021 tax return. All working families will get the full credit if they make up to \$150,000 for a couple or \$112,500 for a family with a single parent (also called Head of Household) and if the child/children are considered eligible dependents.

#### What you need to know:

- Most families (nearly 90% of children in the United States) will automatically receive monthly payments without having to take any action.
- Income limits for eligible working families to receive the full credit follow:
  - Up to \$150,000 for a couple, or
  - \$112,500 for a family with a single parent
- Families who did not file taxes last year still can access the benefit and may use the IRS's Child Tax Credit Non-filer Sign-up Tool to apply for the benefits.
  - <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>
- Families that used direct deposit for their tax return refunds will receive these payments in their bank account.
- Families that don't use direct deposit will receive their payment by mail around the same time.

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- Advance Child Tax Credit payments are not income and will not be reported as income on families' 2021 tax return. Advance Child Tax Credit payments are advance payments of families' tax year 2021 Child Tax Credit.
- If you are concerned that you no longer have qualifying children for the 2021 tax year or that your income level exceeds eligibility, you may wish to unenroll from receiving advance Child Tax Credit payments. You can unenroll through the Child Tax Credit Update Portal.
  - <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>
- In January 2022, the IRS will send you Letter 6419 to provide the total amount of advance Child Tax Credit payments that were disbursed to you during 2021. Please keep this letter regarding your advance Child Tax Credit payments with your tax records. You may need to refer to this letter when you file your 2021 tax return during the 2022 tax filing season.
- The IRS urges everyone to be on the lookout for scam artists trying to use advance Child Tax Credit payments as a cover for schemes to steal personal information and money. *The IRS doesn't initiate contact by email, text messages, or social media channels to request personal or financial information – even information related to advance Child Tax Credit payments.*

### What you can do:

- Check to see whether you're eligible:
  - <https://www.irs.gov/credits-deductions/advance-child-tax-credit-eligibility-assistant>
- **If you/your family did not file taxes last year** use the IRS's Child Tax Credit Non-filer Sign-up Tool to apply for the benefits:
  - <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>
- **If you/your family did file taxes last year** and claimed qualifying dependents, use the IRS's Child Tax Credit Update Portal tool:
  - Check whether you're automatically enrolled to receive payments.
  - Unenroll to stop getting advance payments
  - Provide or update your bank account information for monthly payments starting with the August payment.
    - <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>
- Learn more on ChildTaxCredit.gov
  - <https://www.whitehouse.gov/child-tax-credit/>