

## Expanded Child Tax Credit

ATTENTION: Beginning July 15<sup>th</sup>, the IRS will begin making advanced payments of the Expanded Child Tax credit! Taxpayers will be able to claim the other half of this credit when filing their 2021 tax return.

Most eligible taxpayers will automatically receive these advanced payments, based on the information provided to the IRS on their 2019 or 2020 tax return, or entered their information through the Non-Filer portal for the economic impact payments.

**If you have not filed a 2019 or 2020 tax return, do not have a filing requirement AND do not plan on filing a 2020 tax return, you can use the CTC non-filer sign up tool: <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>**

Individuals who prefer to receive the full amounts by filing their 2021 tax return (in 2022), can **opt out** of the advanced payments here: <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>

## What is the *expanded* Child Tax Credit?

Among the many forms of relief in the American Rescue Plan (ARP), the expansion of the Child Tax Credit is particularly noteworthy. The Child Tax Credit (CTC) is a credit available to low income individuals with children under the age of 17. The American Rescue Plan has expanded this credit for year 2021 *only* in the following ways:

- For 2021 only:
  - CTC age requirements if expanded to include children under the age of 18
  - CTC amount for children below the age of 18 is increased to \$3000
  - CTC amount for children below 6 years of age is increased to \$3,600
  - The CTC is fully refundable for tax year 2021
  - Eligibility and amounts:
    - Maximum credit amounts available to taxpayers with modified AGI of:
      - \$75,000 married filing separately
      - \$112,500 Head of household
      - \$150,000 for MFJ or QW

Please do not hesitate to reach out to our Tax Clinic with any questions: (716)847-0662 (Ext. 316)