

Advance Child Tax Credit 2021

How is the 2021 Child Tax Credit different from previous years?

1. **Advance payments.** Half the credit will be paid in advance as monthly payments on the 15th of every month from July-December 2021, with maximum monthly payments of \$250/month for qualifying children ages 6-17 and \$300/month for qualifying children under the age of 6.
2. **More \$\$\$.** The 2021 Child Tax Credit's maximum amount is \$3000 per qualifying child for children ages 6-17, and \$3600 per qualifying child for children under the age of 6.
3. **No minimum income requirement.** You can have zero income and still claim the CTC.

Who is eligible for the 2021 Child Tax Credit?

1. A parent or guardian must have a Social Security number or an Individual Taxpayer Identification Number.
2. No minimum income requirement to claim the 2021 CTC. The credit will begin to phase out at \$75,000 annual income for single filers, \$112,500 for heads of households, and \$150,000 for married filers. Each \$1000 of income above the phase-out level will reduce your CTC by \$50.
3. In order to be a "qualifying child" your child must meet 5 requirements:
 - a. Relationship. Child must be your child, grandchild, stepchild, or adopted child; sibling, step-sibling, half-sibling, or their descendant; or a foster child placed with you by a government agency.
 - b. Age. Child must be 17 or under on December 31, 2021.
 - c. Residency. Child must live with you in the U.S. for more than half the year (time living together doesn't have to be consecutive). There is an exception for noncustodial parents who are permitted by the custodial parent to claim the child as a dependent (the custodial parent must sign a waiver form).
 - d. Social Security number. Child must have a valid Social Security number.
 - e. Dependency. Child must be a dependent for tax filing purposes.

Advance Child Tax Credit 2021

How do I get the advance payments?

- The IRS will automatically send payments based on information from 2020 or 2019 tax returns.
- If you qualify, you should receive a notice in June from the IRS to notify you of your eligibility.
- By July 1st, the IRS will make available an online portal for individuals to update and manage their advance payments. You will be able to update the number of your dependents, your income, or your marital status.

If you do not receive a notice of eligibility from the IRS and believe you are eligible, you may need to file a tax return in order to receive advance payments.

I've never filed a tax return! What do I do to get my payment?

By July 1st, the IRS will make available an online portal to allow eligible individuals who do not normally file tax returns to register for the CTC by filing a simplified tax return.

I think the IRS sent the money to my ex, but I'm the custodial parent! What can I do?

- Update your information with the IRS via CTC-UP (the IRS online portal)
- Consult a tax professional

MidPenn Legal Services offers free assistance with federal tax controversies to qualifying individuals. For more information contact MidPenn Legal Services Tax Clinic at 844-MPLS-TAX.