

Advanced Child Tax Credit 2021 Fact Sheet

Child Tax Credit Eligibility:

Eligible children must qualify as dependents on your tax return

- Must be U.S. citizens, nationals, or resident aliens with a social security number
- Must have lived with you more than six months
- Must rely on you for over 50% of their support
- Must be either blood kin, adopted or court-ordered custody

Child Tax Credit for 2021:

- Eligible children are less than 18 years old on December 30, 2021
- \$3600 credit for eligible children less than six years old on December 30, 2021
- \$3000 credit for eligible children less than 18 years old on December 30, 2021
This is a change from up to a \$2000 credit (tax reduction) per qualifying child and up to \$1400 of that was potentially refundable, even if no tax was owed
- The increased amounts are not income and do not affect other government benefits such as SNAP (food stamps), Income-based rent assistance, LIHEAP (Low-Income Home Energy Assistance Program) and the taxable portion of Social Security payments
- Fully refundable credit regardless of taxes owed and there is no minimum earnings requirement
 - 2021 Example - \$600 Refundable credit: Assume \$200 is owed in taxes. The credit will eliminate the tax liability, leaving a net refund of \$400
- No reduction for other government-collected debts, such as:
 - Student loan debt
 - Tax debt owed to the IRS, South Carolina or other states
 - Child support debt owed
 - Other government debts owed
- Payment routes for refunds include electronic deposit (bank and routing number required), check (via mail) or debit card (initially via mail, electronic refill)
- IRS must pay families half of the Child Tax Credit “in advance” of monthly payments during the last half of 2021

IRS Portals to Note Include:

- Registration portal for those who did not file 2019 or 2020 tax returns
- Change of circumstance portal (e.g., bank account, address, eligible child change)

For details, visit: <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>

***Waccamaw Economic Opportunity Council, Inc.; Improving Lives & Empowering Communities;
Your Community Action Agency Serving Horry, Georgetown and Williamsburg Counties***