

# Your guide to the child tax credit

If you have children and your income is below a certain level, you will get money starting in July for every child you have under 18. Then you'll get the same amounts around the same time every month for the rest of the year. Sounds simple, right?

But as with anything involving taxes, there's much more involved.

## First of all, how much are the payments?

Up to \$250 per month per child age 6 to 17 and \$300 for each younger child.

## Is that it?

That's only the beginning. The six payments this year will constitute half the credit for 2021. You can claim the other amount — up to \$1,500 per child 6 to 17 and \$1,800 for younger children on your 2021 tax return next year. Remember, this is a tax credit, not income, so there will no tax on the money.

## Who qualifies?

This is the important part: It all depends on your adjusted gross income, which appears on your 1040 tax form. The maximum benefit is available to taxpayers with adjusted gross incomes of up to \$75,000 for single filers, up to \$112,500 for heads of households and up to \$150,000 or less for married couples filing jointly or filing as a qualifying widow or widower. As incomes go above those levels, the benefit phases out.

Children must have a Social Security number, but parents do not need to have legal status in the United States.

Among America's 74 million children, nearly 9 in 10 will qualify for the monthly payments.

## Can I check somewhere to see if I qualify?

Sure. Go to [irs.gov](https://irs.gov) and click on the link about the Advance Child Tax Credit. You will find several tools there.

## If I qualify, what do I need to do?

If you filed your taxes and are eligible for the program, you don't need to do anything.

If the IRS has your bank account number on file, the first monthly payment was set to be deposited this week, and then around the middle of the remaining months through the end of the year.

If you do not have an account on file, you should get the payment in the mail around the same time.

## What if my family doesn't file taxes or have a bank account?

This presents a challenge for federal officials. For example, there are elderly grandparents who take care of children but don't file taxes, and working-class families without bank accounts.

The federal government has set up a website, [childtaxcredit.gov](https://childtaxcredit.gov), to help people register for the payments even if they don't file taxes. And money can be delivered by check instead of direct deposit. The website is difficult to use on mobile devices, however, and the sign-up page is only in English and requires an email address. Administration officials concede that improvements and more aggressive outreach are needed.

Because of such shortcomings, the first payments are expected to fail to reach nearly 15 million eligible children.

## Can the monthly payments be stopped? I would rather take the entire credit on my tax return next year.

Yes. Some people are used to the child tax credit enabling them to get a refund on their taxes. They might not want the monthly advance, and about 1 million people have opted out, according to Biden administration officials. People can unenroll at [irs.gov](https://irs.gov).

## And what happens if my eligibility changes? Do I have to repay any extra money I receive?

This could happen, for example, if your income goes up or you get divorced. After a divorce, only one parent can receive the credit for a child. Again, parents can opt out of the program if they're not sure whether they will qualify.

If you get money you're not eligible for, here's the message from the IRS: "You may need to repay to the IRS some or all of that excess payment."

## Why is this happening now?

The expanded child tax credit was approved in March as part of the Biden administration's American Rescue Plan with the goal of helping low- and moderate-income families deal with continuing economic challenges from the pandemic.

## Wait, isn't there already a child tax credit?

The credit, originally created in 1997, used to be up to \$2,000 per child annually. Now it's been boosted to \$3,600 for children under 6 and \$3,000 for older children. The age range has also been expanded, making 17-year-olds eligible for the first time. And the credit has been made fully refundable, which means even families that earn too little money to pay federal income taxes can receive the full amount. Some higher-income families who are not eligible for the expanded credit can still claim the original \$2,000 credit, which is also based on income.

## Will this continue in future years?

The American Rescue Plan expanded the credit only for this tax year, although President Joe Biden wants a four-year extension. Supporters expect a drastic drop in child poverty, but critics of the effort, who see it as "welfare," will be watching the program for delivery glitches, examples of waste or signs that the money erodes the desire of some parents to work.

Sources: McClatchy Washington Bureau, New York Times, Los Angeles Times, Associated Press

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