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Advance Payments of Child Tax Credit to Begin July 15

Please watch our website for further updates and links

The IRS has announced that the first monthly payment of the expanded and newly- advanceable Child Tax Credit from the American Rescue Plan will be made on July 15, and continue to be paid the 15th of each month after, unless the 15th falls on a weekend or holiday.

Payment Dates: 7/15/21 - 8/13/21 - 9/15/21 - 10/15/21 - 11/15/21 - 12/15/21

Advance Payment of the Child Tax Credit in 2021

The American Rescue Plan Act of 2021 expands the Child Tax Credit **FOR TAX YEAR 2021 ONLY**. Under prior law, the amount of the Child Tax Credit was up to \$2,000 per qualifying child under the age of 17 at the end of the year.

The new law expands the credit as follows:

- The credit amounts are increased to \$3,000 per qualifying child between the ages of 6 and 17 at the end of 2021, and \$3,600 per qualifying child under age 6 at the end of 2021.
- The credit for qualifying children is fully refundable
- The credit will include children who turn age 17 in 2021
- Taxpayers *may* receive part of their credit in 2021 before filing their 2021 tax return

The increased credit amounts are reduced (phased out) for incomes:

- over \$150,000 for married filing joint returns and qualifying widows or widowers
- \$112,500 for head of household returns
- \$75,000 for all other taxpayers.

Advance payments of the 2021 Child Tax Credit will be made regularly **starting July 15, 2021 through December of 2021**. The total of the advance payments will be up to 50 percent of the Child Tax Credit. Advance payments will be estimated from information included in eligible taxpayers' 2020 tax returns (or their 2019 returns if the 2020 returns are not filed and processed yet).

Eligible taxpayers **who DO NOT want to** receive advance payment of the 2021 Child Tax Credit will have the opportunity to decline receiving advance payments. **This will be done through an online portal which allows taxpayers to elect out.** This portal will also be used to provide updated information which would create a modification of the annual advance amount, such as a change in the number of qualifying children, a change in marital status, a change in income, etc. **The IRS portal is live NOW! On a Married Filing Joint Return BOTH SPOUSES MUST UNENROLL/ELECT OUT!!!**

**** NOTE**** Unlike the stimulus checks, if the advance payments EXCEED the allowable Child Tax Credit when filing the 2021 return, (ex: not claiming the child in 2021, child is now too old now to qualify) the **EXCESS WILL INCREASE the TAX LIABILITY** on the return.

Please use this chart for tracking payments received in 2021.

Payments will be reconciled & reported on your 2021 Income Tax Return.

Month Payment Received	Advanced Child Tax Credit Received
July	
August	
September	
October	
November	
December	
Other:	

\$1400 Stimulus Payment

EIP #3

Amount Received

Date Received