

THE NEW CHILD TAX CREDIT – WHAT TO KNOW AND HOW TO CLAIM IT

There are several major changes to the Child Tax Credit (CTC) for 2021: the amount per child has been increased, and you will receive part of it as an advanced credit each month beginning July 2021. You claim the rest of the credit when you file your 2021 tax return in 2022.



The new amounts of the CTC are:

- \$3,600 for children ages 5 and under at the end of 2021
- \$3,000 for children aged 6 – 17 at the end of 2021

Beginning July 2021, the advanced monthly payments are:

- \$300 for children ages 5 and under
- \$250 for children aged 6 – 17.



Eligibility

- You don't need to have income to claim the Child Tax Credit.
- You can have an ITIN or social security number.
- You need to have a main home in the U.S. for more than half of the year.
- Your income needs to be within the limits.

If you've filed taxes for 2019 or 2020, or used the non-filer tool for 2020, you don't need to do anything. You will start to receive the monthly payments automatically.

If the IRS doesn't have your information through one of these sources, YOU CAN USE THE Non-FILER tool so you can receive this monthly payment.

Note: By using this tool, you are creating a simplified tax return for 2020. You may want to file a full tax return instead to get other tax credits. And if you are required to file taxes for 2020, but you didn't do so, you cannot use this tool.[1]

Find the non-filer tool and information here: <https://www.freefilefillableforms.com/#/fd/childtaxcredit>

Other Tax Credits

Stimulus Payments (Recovery Rebate Credit for 2020): You can also use the non-filer tool to claim stimulus payments to which you are entitled but did not receive.



For example: Married couples who filed a joint return where one had a Social Security number & one had an ITIN were not initially eligible for the stimulus payment. A change in the rules means the adult with a SSN may now qualify.

Earned Income Tax Credit: If you had income from work in 2020, you should consider filing a full tax return so you can claim the Earned Income Tax credit.

For help deciding whether to file a full return or to use the non-filer tool and other questions, you may be eligible for help from a volunteer tax preparer. Call to make an appointment.

Center for SE Asians
(Providence) 401-274-8811

Tri-County CAA
(N. Providence) 401-519-1915

Connecting for Children and Families
(Woonsocket) 401-766-3384

Community Care Alliance
(Woonsocket) 401-235-7187

[1] You are required to file a tax return for 2020 if your income was above \$12,400 for a single person and \$24,800 for a couple filing jointly.