

Child Tax Credit Changes for 2021



What is it the Child Tax Credit?

- The Child Tax Credit (CTC) changed for tax year 2021. It is now a fully refundable tax credit you can claim on your 2021 return, even if you have no earned income.
- The credit is a total of \$3,600 for each dependent child under the age of 6 and \$3,000 for each dependent child between 6 and 17.
- Half this credit was to be advanced to taxpayers, based on the information from their 2020 return, in monthly payments that began in July 2021.
- Generally, taxpayers filing their 2021 return need to claim this credit for each child and reduce the credit claimed by the amount received in advance.



What if I'm not sure how much I received in advance CTC payments?

- The IRS mailed letters to recipients of the CTC payments in January and early February, listing the total amount advanced. If you are married and file a joint return, each spouse will get a letter listing half the payments that were received. You will need to add the amounts on both letters together to claim the correct amount.
- If you didn't get the letter you should try to check the Child Tax Credit Section of your account at irs.gov or request an account transcript from the IRS. You will need to set up an IRS.gov account first, if you do not already have one.



What if the letter doesn't match what I received?

- Review your payments in the Child Tax Credit Section of your IRS account or your IRS transcripts to ensure the payment was not returned to the IRS after the letter was sent. If a payment was returned, you can use the updated amount in the Portal. But only the updated amount on the portal.
- If you did not receive the payment, and the payment was not returned to the IRS, you may request the IRS to trace the payment. Although, this may take some time.
- To start a trace, contact the IRS, as soon as possible, from 7 a.m. to 7 p.m. local time at 800-908-4184. When you call the IRS, you must provide the following information about the missing payment: the payment date, method, status, and amount that is displayed in your Child Tax Credit Update Portal, so please check your account first if you can.
- If it is determined the payment was not received or was returned to the IRS, IRS records will be updated, and then you can exclude the payment from the aggregate amount of advance Child Tax Credit payments you report on your tax return. This will allow you to claim, if eligible, the missing payment(s) with your Child Tax Credit on your 2021 return. Or amend your return if you filed with the amount previously listed already.



What happens if one parent received the advance payments, but now another parent is claiming the child on their tax return for 2021?

- A parent will be able to claim the full amount of the Child Tax Credit for the child on their 2021 tax return even if the other parent received the advanced Child Tax Credit payments; as long as the child qualifies as a dependent in 2021.
- The other parent will still need to report the CTC payments received on their return and possibly pay it back depending on their income and individual situation.



How do I claim this credit?

If you had no earned income in 2021 and no other filing requirement, you can visit getctc.org to file a simplified form to claim the Child Tax Credit (and any missing stimulus payments). If you had any earned income or another filing requirement, you can visit getyourrefund.org for help with filing a regular tax return.

QR-getctc.org or QR-getyourrefund.org



What if the IRS thinks I made a mistake in calculating my CTC?

They'll issue a CP 13 notice, which is generally referred to as a Math Error notice. This notice allows the IRS to adjust the refund to reduce or increase a refund to what they feel is correct. You have 60 days from the date on the letter to call or write to the IRS if you disagree with the change. Please keep in mind, if you disagree with the IRS this will set up for an Audit or Exam that may take months to resolve, so you'll want to be sure to verify the amount of credit you claimed before you call or write.

The information on this flyer is not legal advice.
If you are seeking representation or legal advice, please contact SEOLS.
An attorney-client relationship does not exist between you and SEOLS.

**The Low-Income Taxpayer Clinic is funded, in part,
by a grant from the Internal Revenue Service.
We are not part of the IRS or Ohio Department of Tax.
We are an independent non-profit organization.**



How to contact SEOLS:

www.seols.org or call 844-302-1800

We have offices in Athens, Chillicothe, New Philadelphia,
Newark, Portsmouth, and Steubenville

SEOLS does not discriminate against any person on the basis of actual or perceived race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, disability, age, ancestry, or military status in admission, treatment, or participation in our programs, services and activities, or in our hiring and employment practices.

