

Child Tax Credit

A photograph of a man with a beard and short hair, wearing a striped shirt, holding a baby in his arms. He is looking at a laptop screen. The image has a blue overlay.

Advance Child Tax Credit INFO

The most common Advance Child Tax Credit questions can be answered quickly through the IRS Child Tax Credit Update Portal.

The **Advance Child Tax Credit**, created as part of the American Rescue Plan, expands on the existing credit of \$2,000 to provide families a total of up to \$3,000 for each child ages 6 to 17 and to \$3,600 for each child under age 6. Instead of receiving the credit upon filing taxes, families will receive half of the credit in the form of advance monthly payments.

IRS CHILD TAX CREDIT UPPDATE PORTAL

Where is my advance child tax credit payment?

Expand

The advance child tax credit payment will be by direct deposit or by check.

The payments will be sent out monthly through the end of the year starting on July 15, 2021. Following July, parents will receive payments on August 13, September 15, October 15, November 15, and December 15.

Starting with the August payment, parents will be able to update their bank account information if their direct deposit is direct at an incorrect account number. Use the Advance Child Tax Credit Eligibility Assistant to manage your preferences.

Am I eligible?

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Use the Advance Child Tax Credit Eligibility Assistant to see if you qualify.

How will I receive my payment?

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Parents may receive half of their annual tax credit money in the form of monthly payments. The other half is credited when they file their income tax returns.

The advance child tax credit payment will be by direct deposit or by check.

If you had your direct deposit previously set up with the IRS, then you will receive payments in that account. You can check your eligibility and bank account information in the child tax

credit portal (Child Tax Credit Update Portal | Internal Revenue Service (irs.gov)). If you enrolled for direct deposit, you will see your routing number and the last four digits of your account number listed in the portal.

What amount will I receive?

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In most cases, the IRS will use your 2019 and 2020 tax returns to determine your qualification status and the amount you will receive. To qualify for the full tax credit, a parent must make less than \$75,000 if filling alone, less than \$150,000 if filing jointly, or less than \$112,500 for head of household filers.

If you earn more than the maximum income, the tax credit will be reduced by \$50 for each \$1,000 your income exceeds the maximum until the credit reaches \$2,000.

Can I Opt Out ?

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Yes. You have the option to opt out of the monthly advance payments and claim the full amount on your taxes.

Use the Advance Child Tax Credit Eligibility Assistant to manage your preferences.

Helpful Tips and Info About the Advance Child Tax Credit

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You must reside in the United States for at least six months of the year, and the child must live with the parent claiming the child as a dependent for at least six months of the year.

If you welcome a child at any point in 2021, you will be eligible for the full tax credit. Your child also must not turn 18 before Jan. 1, 2022, in order to be eligible.

Parents with children under 6 may receive up to \$3,600 for the tax credit per child. Parents with children from ages 6-17 could receive up to \$3,000 for the tax credit per child. The increased amount and advance payments are set to end at the end of 2021. Parents may receive half of their child tax credit in the form of monthly payments. The other half is credited when you file your tax returns.

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If you had your direct deposit previously set up with the IRS, then you will receive payments in that account. You can check your eligibility and bank account information in the child tax credit portal (Child Tax Credit Update Portal | Internal Revenue Service (irs.gov)). If you have enrolled for direct deposit, you will see your routing number and the last four digits of your account number listed in the portal.

The payment cannot be split between accounts-there can only be one account number per recipient.

If you have not set up direct deposit, you will receive a check. To switch from receiving checks to a direct deposit, you can update that information in the portal.

Starting with the August payment, parents will be able to update their bank account information if their direct deposit is direct at an incorrect account number. Use the Advance Child Tax Credit Eligibility Assistant to manage your preferences.

Parents will receive the money faster with direct deposit and it will eliminate the risk of a lost or stolen check.

Keep track of the advance payments you receive in 2021. You will need to report the amount and reconcile it with the amount you are eligible to receive on your tax return.

You have the option to opt out of the monthly advance payments and claim the full amount on your taxes.