

What's New About the Child Tax Credit in 2021



CHILD TAX CREDIT (CTC) EXPANSION

- **Timing:** The expansion is for Tax Year 2021 only (which people file taxes for in 2022). There are current efforts to make the expansions permanent.
- **Credit amount:** The Child Tax Credit increases from \$2,000 per child to \$3,000 per child age 6-17 or \$3,600 per child under 6. Eligible families will receive a payment of up to \$300 per month per child under the age of 6 and up to \$250 per month per child age 6 and above.
- **Refundability:** The credit is fully refundable. This means that families with very low earnings or no income can receive the maximum credit amount.
- **Phase out rate:** The CTC amount will gradually decrease starting at \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for married couples. Families with incomes above these amounts will receive a CTC worth up to \$2,000 per child credit.
- **Taxpayer Identification Number:** Children claimed for the CTC must have a [valid Social Security Number \(SSN\)](#). A tax filer (and spouse, if present) can have a SSN or an Individual Taxpayer Identification Number (ITIN).
- **Eligibility:** The IRS will review tax returns filed for tax year 2019 (including those generated by entering information into the IRS Non-filers tool in 2020 for stimulus payments) and tax year 2020 to determine eligibility for advance payments.

