

CHILD TAX CREDIT

The Child Tax Credit (CTC) helps families offset the cost of raising children. This federal tax credit is worth up to \$3,600 for each qualifying child under age 6 and \$3,000 for qualifying child between 6 and 17. The CTC is used to reduce any income tax owed. If any of the CTC remains after the income tax has been eliminated, the rest of the money is delivered as a tax refund. If families don't owe any income tax, they can get all of the CTC as part of their refund.

Claiming the CTC does not affect eligibility for other benefits like SNAP (food stamps), SSI, Medicaid, cash assistance, or public housing. A saved tax refund does not count against federally-funded benefit program resource/asset limits for 12 months after the refund is received.

CTC FAST FACTS

- The CTC helps boost income in low-income families, which is associated with better health, more schooling, and higher earnings in adulthood
- In 2018:
 - The CTC lifted approximately 4.3 million people out of poverty, including about 2.3 million children
 - The CTC lessened poverty for another 12 million people, including 5.8 million children

ELIGIBILITY

Single and married people with children can qualify for the CTC. They can have zero income and be eligible for the CTC.

Qualifying children are biological or adopted children, grandchildren, foster children, stepchildren, younger siblings, or their descendants who lived with the worker in the U.S. for more than half the year. Children must be 17 and under. Foster children must be placed with the worker by a government agency.

Credit for Other Dependents: A \$500 non-refundable credit available for families with qualifying non-child dependents. This includes children over 17, children with an ITIN, and adults who are considered dependents for tax filing.

CLAIMING THE CREDIT

To claim the CTC, people must file a federal income tax return.

A child may not be claimed for the CTC if the child provides over one-half of their own support.

Workers who are married filing separately can claim the CTC even though they are ineligible for the EITC. For exceptions, visit www.TaxOutreach.org/eitc.

2021 ADVANCE CTC PAYMENTS

The 2021 CTC expansion included the option for the IRS to deliver half the credit between July and December 2021. Everyone must file a 2021 tax return in 2022 to get the remaining credit. People who did not get advance CTC payments can get the full credit when they file a tax return.

CHILD TAX CREDIT BENEFITS IN 2021

The expanded Child Tax Credit is worth up to \$3,600 for each child under age 6 and \$3,000 for each child between ages 6 and 17. There is no minimum earnings requirement to be eligible for this tax credit in 2021. The maximum credit amounts phase out at:

- \$75,000 – single
- \$112,500 – head of household
- \$150,000 – married filing jointly

2021 Income	Number of Qualifying Children Under Age 18	
	1 Child under 6 years old	1 Child 6-17 years old
0	\$375	\$375
\$5,000	\$1,125	\$1,125
\$10,000	\$1,400	\$1,725
\$20,000	\$1,400	\$2,325
\$30,000	\$1,400	\$2,625
\$40,000	\$1,365	\$2,800
\$50,000	\$865	\$2,800

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