

Got kids?

Advance Child Tax Credit & Scams

To help parents during the pandemic, the Child Tax Credit has been expanded under the American Rescue Plan Act. This means that many families will receive advance payments starting July 15, this opportunity is confusing and scammers are already jumping into the game with attempts to capture personal information from you.

What is the Child Tax Credit (CTC)? The CTC is available if you claim any children younger than 17. The CTC has been \$2,000 per qualifying child. For 2021, the amount will increase to \$3,600 for children ages 5 and under and \$3,000 for children ages 6 through 17. Note, the CTC amount is based on income.

The American Rescue Act included an Advance Child Tax Credit Payments program. These early payments from the IRS are half of the estimated CTC that you may **properly** claim on your 2021 tax return during the 2022 filing season. If the IRS has processed your 2020 or 2019 tax return, these monthly payments will be made starting in July and through December.

In general, you do not need to do anything to receive these advance payments. You may opt out of the monthly payments and get your money in one lump sum when you file during 2022.

Families should be on the alert for scammers using phone calls, emails, texts and social media to trick them into providing information needed to get the new 2021 advance Child Tax Credit. The IRS emphasizes that the only way to get the Advance Child Tax Credit is by either filing a tax return with the IRS or registering online through the *Non-filer Sign-up* tool, exclusively on IRS.gov. Any other option is a scam.

There are many details regarding the Advance Child Tax Credit. To learn more and find answers to your questions, I recommend 3 resources. First is the IRS Advance Child Tax Credit Payments in 2021 (www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021). Here you can learn the details of program, unenroll from advance payments, and non-filers can submit information. The second is The White House (www.whitehouse.gov/child-tax-credit). Here they will cover the same topics as the IRS, but also provide some examples of how the Child Tax Credit works for families that may be similar to yours. The third source is the Consumer Financial Protection Bureau (www.consumerfinance.gov/coronavirus/managing-your-finances/).

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