

What is the Advance Child Tax Credit?

The Child Tax Credit, usually taken on your tax return, is for qualifying dependents age 17 or under at the end of the year. In 2021, the IRS is sending payments to qualifying families on a monthly basis July-December. Income and age limits apply.*

* Usually, the Child tax credit is for dependents UNDER age 17 at the end of the tax year.

What if my child turns 18 or I had a baby during the year?

A child age 18 at the end of the year will not qualify for the credit. If advance payments are received, they will have to be "repaid" as part of the tax return. This will reduce your refund or could create a balance due.

If you want to receive advance payments for a baby born this year, you will need to create an IRS account and opt in to receive the advance payments for the child. You will need to have the baby's social security number to opt in.

Can I still opt in or out?

Yes. You will need to create an IRS account. If you are married and file jointly, both spouses will have to create an IRS account and opt out individually. For a small fee, Stadler and Company can help you with this process, or check out the portal at <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>

For 2021, If you have qualifying children, have not filed a tax return and would like to opt in to receive the advance payments, you can create an IRS account and manage your Advance Payment options. In prior years, a minimum of \$3000 of earned income was needed to receive the refundable portion of the child tax credit. For 2021, that amount is \$0.

How will getting the Advance Child Tax payments affect my refund?

If advance payments are received, the credit will be reduced on the tax return. The payments will lower your refund or could create a balance due.

You will need to show proof of exact advance payments received when you file your tax return. We expect the IRS to send a letter or statement of what you have received in advance. Reporting wrong information will likely slow down receiving your refund and change your expected refund.

For More information, call us at **812.478.2800** or check out the IRS website at the link below:

<https://www.irs.gov/credits-deductions/2021-child-tax-credit-and-advance-child-tax-credit-payments-topic-e-advance-payment-process-of-the-child-tax-credit#e1#e1>