

Media contact: Mary Hightower mhightower@uada.edu 501-671-2006

July 16, 2021

**BACK TO SCHOOL: Advance child tax credits available this summer**

By Mary Hightower

U of A System Division of Agriculture

**Fast facts**

* Changes to Child Tax Credit for 2021
* Early disbursement could help families as unemployment ends, school prep begins

(490 words)

LITTLE ROCK — Eligible parents may see Advance Child Tax Credit payments in their accounts as early as this summer, said Laura Hendrix, associate professor and extension personal finance expert for the University of Arkansas System Division of Agriculture.

The timing is particularly helpful for several reasons, she said.

The advance payments would mean that “more consumers would have more money in their pockets now,” Hendrix said. “It could be helpful for families as additional unemployment ends and there are no additional stimulus payments.”

The payments also arrive at a time when parents are getting children ready to return to school.

“The Child Tax Credit has been around for many years but there are important changes for 2021,” she said.

“It has always been a refundable tax credit, meaning that any portion beyond what is needed for taxes owed is refunded or paid to the tax filer,” Hendrix said. “For 2021, a portion of the tax credit is being sent in advance of tax filing season. Even consumers who did not file or who had no income may still qualify for the Child Tax Credit.”

This year’s Child Tax Credit is $3,600 for children age 5 or younger and $3,000 for children age 6 to 17. Advance payments will be half of the total and sent as six monthly payments.

“For example, a parent with one child age 4 would receive half of the total tax credit in advance, $1,800,” Hendrix said. “This amount would be paid in monthly payments of $300 for six months. The remainder of the tax credit would be paid during tax filing.”

**Who’s eligible?**

Parents and guardians with dependent children may qualify. To receive the advance payment, you must have filed a 2019 or 2020 tax return or submitted your information to the IRS.

The Non-Filers Tool will allow eligible individuals to register for advance Child Tax Credit payments and the third Economic Impact Payment, as well as claim the 2020 Recovery Rebate Credit. The tool can be found here: <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>

Most people who qualify will automatically receive the advance payments. There is a way to opt out for consumers who do not want to receive their Child Tax Credit in advance.

The advance payments will not affect government benefits and will not be counted as income for tax filing purposes.

**What happens next?**

In January 2022, the IRS will send you Letter 6419 to provide the total amount of advance Child Tax Credit payments that were disbursed to you during 2021. Be sure to keep this letter regarding your advance Child Tax Credit payments with your tax records.

You may need to refer to this letter when filing your 2021 tax return during the 2022 tax filing season.

Use the IRS Child Tax Credit Portal to update information <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>.

For more information, visit the IRS website. Beware of opening emails or clicking on links in emails that may claim to be related to the Child Tax Credit. Fraudsters may try to obtain your personal financial information such as bank account numbers.

Find practical financial information at the uaexMoney blog; <https://www.uaex.edu/life-skills-wellness/personal-finance/uaex-money-blog/>.

To learn about extension programs in Arkansas, contact your local Cooperative Extension Service agent or visit [www.uaex.uada.edu](http://www.uaex.uada.edu/). Follow us on Twitter and Instagram at @AR\_Extension. To learn more about Division of Agriculture research, visit the Arkansas Agricultural Experiment Station website: <https://aaes.uark.edu>. Follow on Twitter at @ArkAgResearch. To learn more about the Division of Agriculture, visit <https://uada.edu/>. Follow us on Twitter at @AgInArk.

**About the Division of Agriculture**

The University of Arkansas System Division of Agriculture’s mission is to strengthen agriculture, communities, and families by connecting trusted research to the adoption of best practices. Through the Agricultural Experiment Station and the Cooperative Extension Service, the Division of Agriculture conducts research and extension work within the nation’s historic land grant education system.

The Division of Agriculture is one of 20 entities within the University of Arkansas System. It has offices in all 75 counties in Arkansas and faculty on five system campuses.

The University of Arkansas System Division of Agriculture offers all its Extension and Research programs and services without regard to race, color, sex, gender identity, sexual orientation, national origin, religion, age, disability, marital or veteran status, genetic information, or any other legally protected status, and is an Affirmative Action/Equal Opportunity Employer.

# # #