

Family and Home Network[®]

www.familyandhome.org

About the 2021 Refundable Child Tax Credit

President Biden signed the American Rescue Plan on March 12, 2021. It includes a one-year refundable Child Tax Credit:

- Refundable means that **families can receive the CTC even if they earn no income or are unemployed.**
- The full credit is available to a single parent making less than \$75,000 a year or a couple making less than \$112,500 a year.
- The one-year CTC provides \$3600 per child under age 6 and \$3000 per child ages 6-17
- It is intended that the benefits of the one-year CTC be paid monthly.

Payments are expected to begin in July 2021 and will go to the parent who claims the child deduction. To receive benefits, file your taxes by **May 17, 2021.**

- If you are currently a tax filer, you will automatically receive the credit if you claim your dependents on your tax return.
- If you are not currently a tax filer, file a 2020 tax return even if you did not work and owe no taxes. Claim your dependents.
- If you are undocumented, use your ITIN number to file an individual, not a joint tax return. You can receive the CTC if your child is a US citizen or resident, lives with you at least half of the year, and has a social security number.

Free help filing taxes – deadline extended to May 17, 2021

If your income is less than \$72,000 a year, you can file your taxes for free online using the IRS free filer tool: <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>

If your income is generally less than \$57,000 a year, you are disabled, or not a native English speaker, call 1-800-906-9887 to speak to someone at the IRS's Volunteer Income Tax Assistance (VITA). <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers>

Next: Congress is working on a permanent child benefit.

The 2021 Refundable Child Tax Credit is, in effect, a Child Benefit or Child Allowance. Members of Congress are working on legislation to establish a permanent child benefit. We want to see it paid monthly to mothers or other primary caregivers and available to all families with children.

The legislation directs the IRS to pay "taxpayers." We will continue to call on policymakers to direct payments to the child's mother or other primary caregiver and to call on policymakers to commit to inclusion in family policies, supporting caregivers both paid and unpaid.

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