



Department of the Treasury
Internal Revenue Service
Philadelphia, PA 19104

Date:

Sample Letter 6416 in reference to the 2021 Child Tax Credit

You may be eligible to receive advance payments of the Child Tax Credit (CTC). If you're eligible for advance CTC payments and want to receive these payments, you don't need to take any action. You will receive a letter with more details.

The American Rescue Plan, signed into law in March, made important changes to the CTC for most taxpayers in 2021. The credit amounts increased for many taxpayers, and the credit is fully refundable, which means taxpayers can benefit from the credit even if they don't owe any income taxes. The credit also includes qualifying children who turn age 17 in 2021. The American Rescue Plan directs the IRS to make advance monthly payments of half the estimated annual CTC. The IRS will make payments from July through the end of this year.

For tax year 2021, the advance CTC payments will be half of the estimated CTC. The maximum annual CTC will be \$3,000 per qualifying child between the ages of 6 and 17, and \$3,600 per qualifying child under age 6, at the end of 2021. In general, qualifying children must live with the taxpayer in the United States for more than half the year.

The maximum credit is available to taxpayers with a modified Adjusted Gross Income of:

- \$75,000 or less for single taxpayers,
- \$112,500 or less for head of household,
- \$150,000 or less for married couples filing a joint return and qualifying widow(er)s and
- the maximum credit phases out for higher income taxpayers.

If you don't wish to receive advance CTC payments, instructions on how to unenroll from these payments will be available by the end of June. Please continue to check www.irs.gov/childtaxcredit2021 for additional information about these advance CTC payments.

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