

# The American Rescue Plan and the Child Tax Credit

The American Rescue Plan expands the Child Tax Credit to provide additional financial support and reach more families during tax year 2021. The expanded credit will:

- **Provide families with up to \$3,000 per child between 6 and 17 and up to \$3,600 per child under 6 over the year.** Previously, the maximum amount of the credit was \$2,000.
- **Reach more families.** By making the credit fully refundable, low- and middle-income families will now be able to benefit from the credit.
- **Be distributed in advance payments starting in July.**

## What Should I Expect?

You will receive the maximum amount of the credit if your income is at or below:

- \$150,000 for joint filers or qualifying widowed parents
- \$112,500 for heads of household
- \$75,000 for all other taxpayers

The amount that you receive through the credit will begin to decrease for incomes above these thresholds.

## When Should I Expect the Credit?

Half of the 2021 Child Tax Credit will be issued to you in monthly checks from July through December.

You will receive the remaining amount of the credit after filing your 2021 tax returns next year.

If you do not want to receive the 2021 Child Tax Credit in advance, you will have the opportunity to decline receiving advanced payments through the IRS.

## What Should I Do to Prepare?

- ✓ **File your taxes by May 17:** To receive the full amount of the Child Tax Credit that you are eligible for this year, the IRS encourages you to file your taxes by the filing deadline on May 17. The advance payments will be calculated using your most recent filing.
- ✓ **File electronically with direct deposit if possible:** While not required, filing electronically can speed up the delivery of advance payments and other tax refunds, like the Earned Income Tax Credit.

## What's Next?

Reps. Suzan DelBene, Rosa DeLauro, and Ritchie Torres are fighting to make this expansion permanent. Long-term, the expanded Child Tax Credit is estimated to cut childhood poverty in half and lift 4 million children out of poverty, which includes 65,000 children in WA.

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