

Assistance for Families with Children

Many families struggled due to the pandemic. Families are often not resilient to economic hardship, and it is the children who often suffer most. There is important information for economically stressed families, most will be receiving cash assistance for this year.

Under the recently passed American Rescue Plan, families with children will see a one-year increase in the Child Tax Credit to \$3000 for children 6-17 years of age and \$3600 for children under 6. This additional benefit will be available to couples making less than \$150,000 or single parents making less than \$112,500 and beginning July 15th the IRS will provide advance payments of this credit. Normally the credit is received during the year following the year of tax filing.

For those families who used direct deposit of their tax refunds, the payments will automatically be deposited in their accounts just as tax refunds were. For those who elected to receive refunds by check, their payment will also arrive by check. Almost 700,000 children in Iowa are estimated to benefit from this additional support in 2021. This should be automatic and not require any action on the family's part.

These payments are also available to families that did not file a return in 2020 because their income was too low to require filing, and even if they had no income. For those who did not file a return in 2020 they will need to register with the IRS.

The IRS has provided extensive guidance beginning at: <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021> and this and subsequent pages are available in Spanish, Vietnamese, and several other languages.

- The page for those who did not previously file is: <https://www.irs.gov/credits-deductions/child-tax-credit-non-filer-sign-up-tool>.
- If no payment is received and the family believes they are eligible, go to: <https://www.irs.gov/credits-deductions/advance-child-tax-credit-eligibility-assistant> to see if you are eligible.
- For some situations, such as a non-filer in previous years, it will be necessary to obtain a free IRS registration, which you can do from the eligibility assistant page.

This is an advance of the full credit that would be received upon filing for taxes for 2021, reducing the amount that would be received as a part of the tax return.