

# UNDERSTANDING THE ENHANCED CHILD TAX CREDIT



**The enhanced child tax credit can benefit nearly every kid in West Virginia.**

The enhanced child tax credit (CTC) is part of the federal government's relief package (American Rescue Plan) responding to the pandemic. It increases the amount of money that families with children can get refunded from their taxes - up to \$3,600 per child - and helps families with low or no income get their fair share, too. If made permanent, the enhanced CTC will help 93 percent of West Virginia's kids! This year, families receive some money in monthly installments so they can start getting necessary relief sooner.

## How is the CTC different this year?

- ★ It increased the credit by \$1,600 for every child under age 6 — from \$2,000 to \$3,600 — and by \$1,000 for every child between 6 and 17 — from \$2,000 to \$3,000. Some filers can receive an additional \$500 for some dependents up to 24.
- ★ The credit now covers 17-year-olds and is available to very low- or no-income families who previously were not eligible.
- ★ For the first time, it is fully refundable. That means that you may use it to reduce your tax to zero, and then receive a payment from the IRS — a refund — for any credit remaining.
- ★ Half of the CTC is paid monthly, in advance. This is a way to help families pay their bills as they come due instead of having to wait till they file their taxes next year.



**The next payment is on September 15, 2021.**



If you claimed the CTC in 2019 or 2020, these payments have already begun! If you have children but have not previously claimed the CTC or filed taxes, you will need to take further action to start receiving refunds. Those who have not previously filed taxes will also receive a stimulus payment. **Claiming these payments will not disrupt any of your benefits - including Medicaid, CHIP, SNAP, WIC, WV Works, and others.**

**Not sure if you qualify?**



Scan the QR code above or go to [bit.ly/getCTC2021](https://bit.ly/getCTC2021) to check your eligibility, submit your information, and learn more.

**The enhanced CTC expires at the end of 2021 without further legislative action.**

Experts estimate that the enhanced CTC will lift 43 percent of West Virginia kids out of poverty if made permanent. Legislators on the state and federal levels must take action to ensure a brighter future for our children.

Visit us at [wvpolicy.org](https://wvpolicy.org) and follow us on Twitter and Facebook @WVCBP to learn more and stay updated.



#### Sources:

Common Good Iowa, 'FAQs on the expanded Child Tax Credit,' (August 2021).

Internal Revenue Service, 'Advance Child Tax Credit Payments in 2021,' (updated August 2021).

Marr, Chuck et al., 'Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent,' (May 2021).

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