

Advance Child Tax Credit

The IRS has just started sending out letters to taxpayers that may qualify for the “Advanced Child Tax Credit”

The IRS will start sending monthly payments to qualified taxpayers in July. This is NOT a new credit, it is just a change on when you may receive the money.

To avoid any payment errors and repayments, the IRS is creating several online tools to help taxpayers update their information with them. The IRS will also give taxpayers the opportunity to “opt-out”.

We suggest our clients “opt-out” via the IRS website. We will provide that link once the IRS has set it up. The tool should be available before the first payments are scheduled.

More info may be found here: [IRS Advance Child Tax Credit](#)

It is your choice on how you want to receive this credit, but if you do not “Opt-Out”, these monthly payments WILL reduce your 2021 tax refund or increase payments due. We also recommend that you keep a record of all the monthly payments so we can show them on your tax return correctly.

There are several things to consider when deciding whether you want the money throughout the year or in your tax refund.

1. Parents who alternate years claiming a child will have to repay advance payments received if not claiming the child the next year.
2. Would you like more money throughout the year and a smaller tax refund.
3. Significant increase in income could make you in-eligible for the credit and you would have to repay.

These are just a few items to consider. If you would like a complete review based upon your current tax situation, you may call the office to set up an appointment at (816) 628-4258.

Information needed for a requested appointment

1. Recent paystubs
2. Investment income
3. Retirement distributions
4. Unemployment received
5. Other life changing events; marriage, divorce, new kids, change in jobs, etc