

Advance Child Tax Credit portal opens — act now (06-22-21)

The IRS has launched two new online tools to help taxpayers manage and monitor the advance monthly payments of the Child Tax Credit, which are scheduled to start being issued on July 15, 2021:

- **“Unenroll from advance payments” portal:** Taxpayers may “opt-out” of receiving the advance payment credit; and
- **Advance Child Tax Credit Eligibility Assistant:** Taxpayers can answer a series of questions to see if they qualify for the credit.

The American Rescue Plan Act increased the credit and allows for 50% of the credit to be paid in advance. While this is great news for many taxpayers, the downside is that taxpayers who receive advance amounts for which they are not eligible may have to repay these advances when they file their 2021 return. We recommend that clients unenroll from the advance payments if:

- They will not be eligible for the Child Tax Credit based on their 2021 income, or children who are no longer dependents; or
- They reduced their withholding or estimated tax payments for the amount of expected Child Tax Credit. Clients in this situation could find themselves with a big tax bill at the end of the year if they received more in Child Tax Credit as an advance than their actual credit.

We suggest that clients who do not have a need to receive the advance payments unenroll. However, if a client “unenrolls,” they currently cannot re-enroll.

Additional information about the Child Tax Credit portal is available at:

<https://content.govdelivery.com/accounts/USIRS/bulletins/2e50c8e>

The portal can be accessed at:

www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021