

# Connecting Clients with Recovery Rebate Credit and Expanded Child Tax Credit

## Overview

For organization's serving clients that did not receive an Economic Impact Payment in 2020, there is still time to assist clients in receiving those payments through the 2020 Recovery Rebate Credit. To access the Recovery Rebate Credit, clients must file a 2020 tax return as soon as possible. Additionally, since the official tax deadline has passed, IRS [Form 4868](#) must also be filed along with the tax return. Filing this form in addition to your 2020 tax return will extend the deadline to October 15, 2021.

Additionally, the IRS will begin making advance payments of the 2021 Expanded Child Tax Credit to eligible households with children starting in July 2021. To access the 2021 Advanced Child Tax Credit, the IRS has made a [Non-filer Sign Up Tool](#) available for those who are not required, or do not normally file a tax return.

## Non-filer Sign Up Tool

The [Non-Filer Sign Up Tool](#) is designed to help eligible households with children who don't normally file income tax returns. This tool can assist households with children in:

- claiming Child Tax Credits granted under the American Rescue Plan
- registering for the \$1,400 third round of Economic Impact Payments; and
- claiming the Recovery Rebate Credit for any amount of the first two rounds of Economic Impact Payments they may have missed

The IRS 2020 Recovery Rebate Credit [webpage](#) and the Advance Child Tax Credit Payments [webpage](#) are helpful resources for providers. Additionally, the [information center](#) may contain more useful information.

## IRS Free File Tool

The information below is copied from <https://www.irs.gov/newsroom/recovery-rebate-credit-topic-a-claiming-the-recovery-rebate-credit-if-you-arent-required-to-file-a-tax-return>

If you're [eligible](#) – and either didn't receive Economic Impact Payments or if you think you qualify for more than you received – you'll need to file a 2020 tax return and claim the [Recovery Rebate Credit](#) even if you otherwise are not [required to file a tax return](#). You must also file IRS [Form 4868](#), along with the 2020 tax return in order to extend the deadline to file until October 15, 2021.

The best way to file a complete and accurate return is to file electronically. The tax software will ask you questions about your income, credits and deductions and will help you figure your Recovery Rebate Credit.

If your income is \$72,000 or less, you can use brand-name software to prepare and file your Federal tax return electronically for free with [IRS Free File](#). IRS Free File is a great option for people who are only filing a tax return to claim the [Recovery Rebate Credit](#).

Visit [IRS.gov/filing](#) for details about [IRS Free File](#), [Free File Fillable Forms](#) or finding a [trusted tax professional](#).

The safest and fastest way to get a tax refund (which would include your Recovery Rebate Credit) is to combine electronic filing with [direct deposit](#).

## Recovery Rebate Credit (Stimulus Payment) Overview

If you did not get a first and second Economic Impact Payment or got less than the full amounts, you may be eligible to claim the 2020 Recovery Rebate Credit by filing a 2020 tax return. See the above information regarding the IRS Free File Tool for help filing a 2020 tax return.

### First Round (March 2020):

- Up to \$1,200 for individuals (\$2,400 for a married couple) and \$500 for each qualifying dependent under the age of 17.

### Second Round (December 2020):

- Up to \$600 for individuals (\$1,200 for a married couple) and \$600 for each qualifying dependent under the age of 17.

### Third Round (March 2021):

- Up to \$1,400 (\$2,800 for a married couple) and \$1,400 for each qualifying dependent of any age.

## 2021 Advance Child Tax Credit Overview

The information below is copied from <https://www.irs.gov/credits-deductions/advance-child-tax-credit-payments-in-2021>.

There have been important changes to the Child Tax Credit that will help many families receive advance payments starting this summer. The American Rescue Plan Act (ARPA) of 2021 expands the Child Tax Credit (CTC) for tax year 2021 only.

The expanded credit means:

- The credit amounts will increase for many taxpayers.
- The credit for qualifying children is fully refundable, which means that taxpayers can benefit from the credit even if they don't have earned income or don't owe any income taxes.
- The credit will include children who turn age 17 in 2021.
- Taxpayers may receive part of their credit in 2021 before filing their 2021 tax return.

For tax year 2021, families claiming the CTC will receive up to \$3,000 per qualifying child between the ages of 6 and 17 at the end of 2021. They will receive \$3,600 per qualifying child under age 6 at the end of 2021. Under the prior law, the amount of the CTC was up to \$2,000 per qualifying child under the age of 17 at the end of the year.

The increased amounts are reduced (phased out), for incomes over \$150,000 for married taxpayers filing a joint return and qualifying widows or widowers, \$112,500 for heads of household, and \$75,000 for all other taxpayers.

The IRS will pay half the total credit amount in advance monthly payments. You will claim the other half when you file your 2021 income tax return. We'll make the first advance payment on July 15, 2021. For a full schedule of payments, see [When will the IRS begin issuing the advance Child Tax Credit?](#)

Use the [IRS Non-filer Sign Up tool](#) to report your qualifying children born before 2021 if you:

- Are not required to file a 2020 tax return, didn't file one and don't plan to; **and**
- Have a main home in the United States for more than half of the year.

Do **not** use this tool if you:

- Filed or plan to file a 2020 tax return; **or**
- Claimed all your dependents on a 2019 tax return, including by reporting their information in 2020 using the Non-Filers: Enter Payment Info Here tool; **or**
- Were married at the end of 2020 unless you use the tool with your spouse and include your spouse's information; **or**
- Are a resident of a U.S. territory; **or**

- Do not have a main home in the United States for more than half the year and, if you are married, your spouse does not have a main home in the United States for more than half the year; **or**
- Do not have a qualifying child who was born before 2021 and had a Social Security number issued before May 17, 2021.