



ONLINE SIGN-UP NOW AVAILABLE FOR ADVANCE CHILD TAX CREDIT PAYMENTS

From the Journal of Accountancy by Paul Bonner

The IRS opened an online site Monday, June 14, that allows taxpayers who are not required to file a 2019 or 2020 individual income tax return to sign up to receive advance child tax credit (advance CTC) payments, which will begin July 15 (see IRS News Release [IR-2021-129](#)).

The “[Child Tax Credit Non-Filer Sign-Up Tool](#)” (CTC tool) on the IRS website is for use by taxpayers to report qualifying children born before 2021 if those taxpayers (1) are not required to file a 2020 tax return, did not file one, and do not intend to do so, and (2) have a main home in the United States for more than half the year.

Taxpayers who meet the first condition may also use the tool to claim the 2020 recovery rebate credit and claim their third economic impact payment.

Taxpayers should not use the tool, the IRS advises, if they meet any of the following conditions:

- Filed or plan to file a 2019 or 2020 tax return
- Claimed all their dependents on a 2019 tax return, including by reporting their information in 2020 using the “Non-Filers: Enter Payment Info Here” tool
- Were married at the end of 2020, unless they use the CTC tool with their spouse and include their spouse’s information
- Are a resident of a U.S. territory
- Do not have a main home in the United States for more than half the year, and, if married, their spouse does not have a main home in the United States for more than half the year
- Do not have a qualifying child who was born before 2021 and who had a Social Security number (SSN) issued before May 17, 2021

Taxpayers using the CTC tool must enter their name; current mailing address; email address; date of birth; valid SSNs for themselves and their dependents; bank account number, type, and routing number; and, if they were issued an identity protection personal identification number (IP PIN) earlier this year, that IP PIN.

Changes to the Sec. 24 child tax credit made by the American Rescue Plan Act (ARPA), P.L. 117-2, include that the IRS must make 2021 periodic advance child tax credit payments to taxpayers up to the “annual advance amount.” These payments — up to \$300 per month per child under age 6 and up to \$250 per month per child age 6 through 17 — will be paid in equal amounts and made no earlier than July 1, 2021, and no later than Dec. 31, 2021.

ARPA, for tax year 2021 only, increased the child tax credit amount to up to \$3,000 for each qualifying child between ages 6 and 17 at the end of the 2021 tax year, and \$3,600 for each qualifying child under age 6 at the end of the 2021 tax year. ARPA also made the child tax credit for 2021 fully refundable if the taxpayer (or spouse, on a joint return) has a principal place of abode in the United States for more than one-half of the 2021 tax year.

The IRS also, in [Rev. Proc. 2021-24](#), has clarified how individuals who are not otherwise required to file 2020 returns can claim advance child tax credit payments by either filing simplified returns or electronically filing a 2020 return with zero adjusted gross income.