

2021 INFORMATION CONCERNING THE 3RD ECONOMIC STIMULUS PAYMENT AND THE ADVANCED CHILD TAX CREDIT PAYMENTS

STIMULUS PAYMENT

During 2021 the government issued a third, and final stimulus payment to help Americans hurt financially by the Coronavirus.

The payments were sent out in March of 2021 and may have been issued by check, direct deposit, or in the form of a pre-paid Visa card.

This payment was generally \$1,400 per person, including the taxpayer, spouse, and dependent children. The payments did phase out for higher income taxpayers.

While you will not be taxed on these amounts, they must be reported on your 2021 income tax return. The reason is that if you did not receive a stimulus payment, but you met the qualification to receive a payment; you will get the payment added to your 2021 tax refund (or reduce your balance due if you owe).

The IRS issued a letter in late December, or early January detailing how much was stimulus payment was received during 2021. The letter for the stimulus was **Letter # 6475**

For more information on the Stimulus Payment, read the *CARES Act Stimulus Payments* “fact sheet” located on the *Tax Resources* tab on our website.

ADVANCED CHILD TAX CREDIT (ACTC)

In another program to help cash strapped taxpayers, congress passed a law to increase the Child Tax Credit; then to estimate how much Child Tax Credit taxpayers would have on their 2021 tax return, (based on tax year 2020 numbers.) Then, the IRS sent ½ of that estimated credit amount to taxpayers in 6 monthly installments from July – December 2021.

Just like the stimulus payment, if you have children, we must have the amount of the ACTC that was sent to you from July to December to complete your tax return.

The IRS issued a second letter in late December, or early January detailing how much was sent out for the Advanced Child Tax Credit in 2021. The letter number for this was **Letter #6419**.

Be sure to bring these letters to your tax appointment. If you have misplaced these letters you will need to either contact the IRS, or check your bank statements to determine the amounts.

For more information on the ACTC, read the *Advance Payments of the Child Tax Credit* "fact sheet" located on the *Tax Resources* tab on our website.

If you are missing either of these letters, please enter the amounts below.

Reporting Stimulus and Advanced Child Tax Payments

Name: _____

2021 Stimulus Payments Received: \$ _____

2021 Advanced Child Tax Credit Received \$ _____

For how many children: _____

Taxpayer
Signature: _____

Spouse Signature (if applicable) _____