

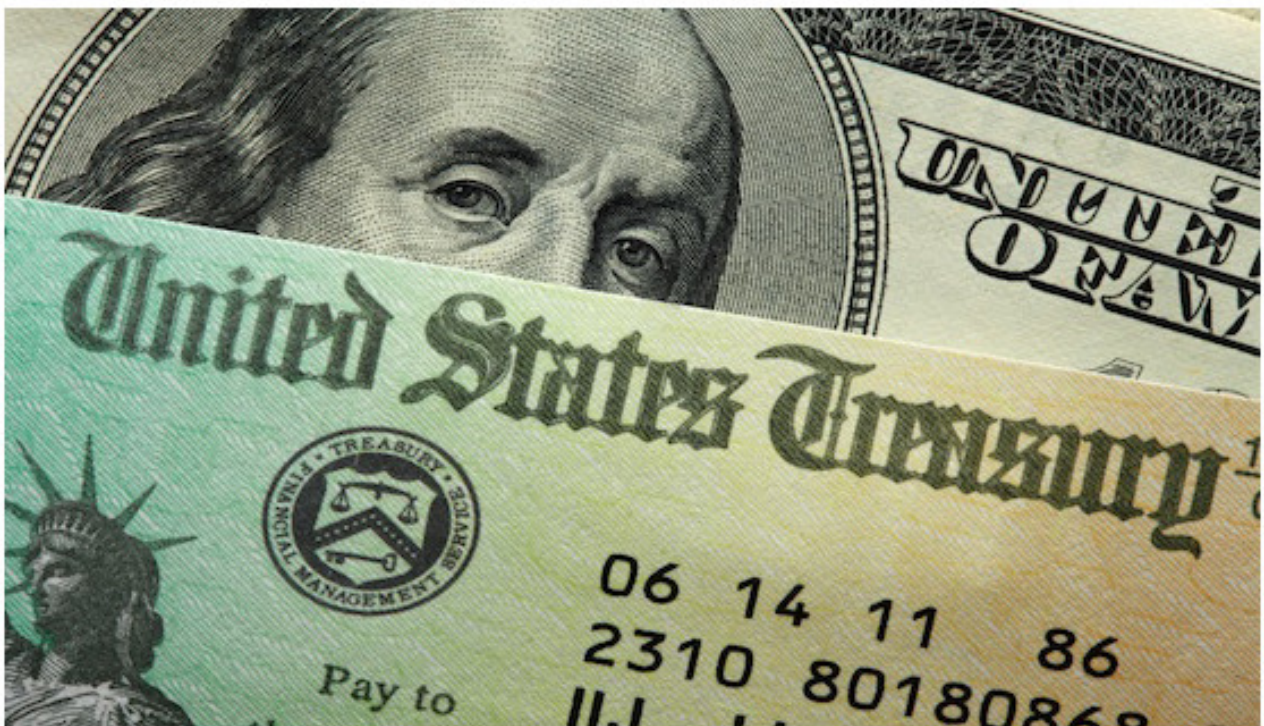
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Payments, EITC, and Child Tax Credits

The IRS is sending letters to more than 9 million individuals and families who appear to qualify for a variety of key tax benefits but did not claim them by filing a ...

Isaac M. O'Bannon • Oct. 14, 2022



Individual taxpayers, families and tax professionals should check their mail for some good news soon.

Starting this week, the Internal Revenue Service is sending letters to more than 9 million individuals and families who appear to qualify for a variety of key tax benefits but did not claim them by filing a 2021 federal income tax return. Many in this group may be eligible to claim some or all of the 2021 Recovery Rebate Credit, the

Child Tax Credit, the Earned Income Tax Credit and other tax credits depending on

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may qualify for these valuable tax credits,” said IRS Commissioner Chuck Rettig. “We encourage people who haven’t filed a tax return yet for 2021 to review these options. Even if they aren’t required to file a tax return, they may still qualify for several important credits. We don’t want people to overlook these tax credits, and the letters will remind people of their potential eligibility and steps they can take.”

Claiming the credits

These and other tax benefits were expanded under last year’s American Rescue Plan Act and other recent legislation. Even so, the only way to get the valuable benefits is to file a 2021 tax return.

Often, individuals and families [can get these expanded tax benefits](#), even if they have little or no income from a job, business or other source. This means that many people who don’t normally need to file a tax return should do so this year, even if they haven’t been required to file in recent years.

For this mailing, Treasury’s Office of Tax Analysis identified individuals who don’t typically have a tax return filing requirement because they appear to have very low incomes, based on Forms W-2, 1099s and other third-party statements available to the IRS.

The letters are similar to a special IRS mailing made in September 2020 encouraging 9 million potential non-filers to submit a tax return for the first Economic Impact Payment. This is part of an ongoing effort to encourage people who aren’t normally required to file to look into possible benefits available to them under the tax law. Every year, people can overlook filing a tax return when they may be entitled tax credits and a refund.

People can file a tax return even if they haven't yet received their letter. The IRS

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free using brand-name software. Free File is sponsored by the Free File Alliance, a partnership between the IRS and the tax-software industry.

People can also visit [ChildTaxCredit.gov/file](https://www.irs.gov/efile) to file a 2021 income tax return. Individuals whose incomes are below \$12,500 and couples whose incomes are below \$25,000 may be able to file a simple tax return to claim the 2021 Recovery Rebate Credit—which covers any stimulus payment amounts from 2021 they may have missed—and the Child Tax Credit. Individuals do not need to have children in order to use [ChildTaxCredit.gov/file](https://www.irs.gov/efile) to find the right filing solution for them.

Further details on these expanded tax benefits

The three credits include:

- An expanded **Child Tax Credit**: Families can claim this credit, even if they received monthly advance payments during the last half of 2021. The total credit can be as much as \$3,600 per child.
- A more generous **Earned Income Tax Credit**: The law boosted the EITC for childless workers. There are also changes that can help low- and moderate-income families with children. The credit can be as much as \$1,502 for workers with no qualifying children, \$3,618 for those with one child, \$5,980 for those with two children and \$6,728 for those with at least three children.
- The **Recovery Rebate Credit**: Those who missed out on last year's third round of Economic Impact Payments (EIP3) may be eligible to claim the RRC. Often referred to as stimulus payments, this credit can also help eligible people whose EIP3 was less than the full amount, including those who welcomed a child in 2021. The maximum credit is \$1,400 for each qualifying adult, plus \$1,400 for each eligible child or adult dependent.

Besides these three credits, many filers may also qualify for two other benefits with a

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often qualify to deduct the full amount in 2021.

Further details on all these benefits are available in a fact sheet, [FS-2022-10](#), posted earlier this year on IRS.gov.

Helpful reminders

The IRS urges everyone to make sure they have all their year-end 2021 tax statements in hand before filing their 2021 return. Besides all W-2s and 1099s, this includes two statements issued by the IRS — [Letter 6419](#), showing their total advance Child Tax Credit payments, and Letter 6475, showing their total EIP3 payments. People can also use IRS [Online Account](#) to see the total amounts of their third round of Economic Impact Payments or advance Child Tax Credit payments. For married couples who received joint payments, each spouse will need to sign into their own account to retrieve their separate amounts.

Whether or not they use Free File, anyone can find answers to their tax questions, forms and instructions and easy-to-use tools online at IRS.gov. They can use these resources to get help when they need it, at home, at work or on the go.

Claiming these credits has no effect on the ability of someone to be eligible for federal benefits like Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Claiming these credits also has no effect on an individual's immigration status or their ability to get a green card or immigration benefits

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