



Child Tax Credit

Ensuring All Eligible Families Receive the Expanded Child Tax Credit:

A Resource Guide for Children's Cabinets and Collaborative Action Initiatives

The new expanded Child Tax Credit (CTC) is an unprecedented effort by the federal government to reduce poverty and improve the lives of children by providing stabilizing financial support for families. The expanded credit is currently just available for 2021. The Biden Administration, which hopes to make it permanent, estimates that the credit will cut child poverty nearly in half.

What is the expanded Child Tax Credit and who is eligible?

The tax credit will provide most families \$3,000 - \$3,600 per child: \$300 per month for each child under the age of 6 and \$250 per month for each child ages 6-17. Half will be paid in monthly installments between July and December of 2021, and the other half will be paid when families file their 2021 taxes. Most families will receive the payment automatically without any additional filing, either as a direct deposit to their bank accounts or as a mailed check. Families can take full advantage of the credit if their modified adjusted gross income is under \$75,000 for single filers, \$150,000 for married filing jointly, and \$112,500 for head of household filers, with the credit beginning to phase out beyond these thresholds. Children must have a social security number to be eligible for the CTC. **Parents are not required to have an SSN**, but they must have (or apply for) an [Individual Taxpayer Identification Number](#) (ITIN) to claim the credit.

Who is at risk of not receiving the credit?

The challenge, though, is that two key groups eligible for the tax credit may not automatically receive it: **those who do not earn enough to file taxes** and **families with [mixed-immigration status](#)**, in which the children have U.S. citizenship or DACA (Deferred Action for Childhood Arrivals) status, but the parents do not. Unlike the previous tax credit, this credit is available even to those who do not earn enough to file taxes. Millions of families fall into these categories and are at risk of missing out on the credit (as well as the earlier American Rescue Plan payments). A recent [New York Times op-ed](#) pointed to a number of barriers to reaching families who will not automatically get the payments, including a difficult sign-up process, lack of a coordinated information campaign, and distrust of government.

How can Children’s Cabinets and collaborative action initiatives help?

Cross-sector, place-based collaborations such as Children’s Cabinets, which are venues for coordinating services for children and families, are uniquely positioned to serve a key role in overcoming these obstacles. Cabinet members are already connected to those in greatest need in their communities and can use their coordinating capacity to ensure everyone eligible for the child tax credit gets the information and support they need to receive this transformative benefit.

Ways Cabinets and other collaborative action initiatives can support this effort include:

- Make full access to the CTC an explicit Cabinet goal.
- Gather information about who is already working to sign up families in your community—such as the United Way, tax support organizations, etc.—and elevate those efforts.
- Form a working group or task force specifically to find solutions to this issue.
- Identify the specific challenges in your community, such as language barriers, lack of information, or needs for sign-up support.
- Coordinate a public information campaign, in partnership with community organizations.
- Expand the services available to register families for the credit.

Resources

Information about the tax credit

- [Information guide](#) from the White House, available in Spanish and English, with a link to sign up for the credit
- Clear, family-facing [fact sheet](#) from the University of Michigan
- [Frequently Asked Questions guide](#) to the tax credit from the Children’s Defense fund.
- [Center for Law and Social Policy \(CLASP\) piece](#) containing information and resources for families with mixed immigration status
- National Women’s Law Center fact sheet [How to Access Your Benefits Under the American Rescue Plan](#) helps families find the American Rescue Plan and COVID relief benefits, including advance CTC payments, food assistance, health insurance coverage, child care assistance, unemployment benefits, and housing assistance.
- This fun, [informative video](#) educating parents about the CTC and pointing them to the White House website by the Economic Security Project and Groundwork Collaborative

Examples of community outreach efforts

- [CNN piece](#) describing efforts across the country to raise awareness about the credit, including through community groups and faith-based organizations
- [PA public broadcasting piece](#) describes various community groups, such as the local department of human services and the United Way, that are conducting outreach to families to inform them about the credit and using methods like texting
- [News story](#) about an outreach effort by the United Way in Corpus Christie, TX