

# IRS News Release

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## **Taxpayers to Receive Advance Child Tax Credit This Summer**

IR-2003-68, May 28, 2003

WASHINGTON — Beginning the last week of July, eligible taxpayers who claimed the Child Tax Credit on their 2002 tax returns will automatically receive an advance payment of the 2003 increase in this credit, the Treasury Department and Internal Revenue Service announced today.

Taxpayers will not have to take any action to get this advance payment of up to \$400 per qualifying child. The Treasury Department and IRS will perform all the calculations and automatically mail a notice and a check to each eligible taxpayer.

"The only thing the taxpayer needs to do is cash the check," said Mark W. Everson, IRS Commissioner. "If you qualify, we will send you a notice. There's no need to call, no need to apply, no need to fill out another form. The IRS will do all the work. A few days after the notice, you will get the check."

The checks – an advance payment of the 2003 increase in the Child Tax Credit – will be based on the child tax credit claimed on the taxpayer's 2002 tax return. The Jobs and Growth Tax Relief Reconciliation Act of 2003 increased the maximum child tax credit for 2003 to \$1,000 per child, up from \$600 for tax year 2002. The law further instructed the Treasury Department to provide the difference – up to \$400 per child – as an advance payment to each eligible taxpayer this summer.

The Treasury Department will issue about 25 million of these checks this year, beginning with three principal mailings on July 25, Aug. 1 and Aug. 8. Taxpayers who filed returns after April 15 – for example, those with automatic extensions – will receive their advance payments after the IRS processes their returns. They should not make any change to their 2002 returns or remittances based on an expectation of an advance payment check.

The IRS will send notices to taxpayers on July 23, July 30 and Aug. 6, informing them of their advance payment amount. The IRS urges taxpayers to hold on to these notices for their 2003 tax returns. They will need to take the advance payment into account when determining the amount of their child tax credit on the 2003 tax return.

Taxpayers who are not eligible for the advance payment may still qualify for the increased child tax credit of up to \$1,000 when they file the 2003 tax return next year. For instance, a taxpayer who did not have a child in 2002, but had one in 2003, would not receive an advance payment but may qualify for the full \$1,000 credit on the 2003 tax return.

More information, including answers to frequently asked questions, is available on the IRS Web site at [www.irs.gov](http://www.irs.gov).

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