IRM PROCEDURAL UPDATE

DATE: 07/14/2026

NUMBER: ts-21-0726-0701

SUBJECT: Various Changes to Credits Procedures

AFFECTED IRM(s)/SUBSECTION(s): 21.6.3

CHANGE(s):

IRM 21.6.3.1 Updated paragraph 2 to include employees in contact with taxpayers via Live Chat and updated link in paragraph 6 for Accounts Management FY 2026 Program Letter and Operating Guidelines.

(2) **Audience:** The primary users of this IRM are IRS employees in Business Operating Divisions (BODs) who contact taxpayers by telephone, correspondence, in person, or Live Chat.

(6) **Program Goals:** Program goals for this type of work are included in the Accounts Management, FY 2026 Program Letter and Operating Guidelines as well as IRM 1.4.16, Accounts Management Guide for Managers.

IRM 21.6.3.1.6 Added acronym for Working Families Tax Cuts (WFTC).

(1) For a comprehensive listing of acronyms, refer to the Acronym Database. Below are common acronyms used in this IRM.

Acronym	Definition
ACAX	Affordable Care Act Amended Return
ACM	Alternative Calculation for Marriage
ACTC	Additional Child Tax Credit
AdvCTC	Advance Child Tax Credit
AOTC	American Opportunity Tax Credit
APTC	Advance Premium Tax Credit
ATAA	Alternative Trade Adjustment Assistance
BUWH	Backup Withholding

CII	Correspondence Imaging Inventory
CTC	Child Tax Credit
CTCUP	Child Tax Credit Update Portal
CVC	Clean Vehicle Credit
EICC	Earned Income Credit Correspondence
EICP	Earned Income Credit Phones
EICN	Earned Income Credit Notice
EICX	Earned Income Credit Amended Return
EIP	Economic Impact Payment
ERS	Error Resolution System
FRP	Frivolous Return Program
HAIA	Homebuyer Assistance and Improvement Act
HCTX	Health Coverage Tax Credit Amended Return
HERA	Housing and Economic Recovery Act
HPA	Health Plan Administrator
ODC	Credit for Other Dependents
QAE	Qualified Adoption Expenses
PTC	Premium Tax Credit
REIT	Real Estate Investment Trust
RCTC	Refundable Child Tax Credit (tax year 2021)
RIC	Regulated Investment Company
RIVO	Return Integrity Verification Operations
RRC	Recovery Rebate Credit
RTAA	Reemployment Trade Adjustment Assistance
SSI	Supplemental Security Income
WFTC	Working Families Tax Cuts

VA	Veterans Administration

IRM 21.6.3.2 Renamed subsection Overview of Credits instead of What are Credits?

Overview of Credits

(1) In general, non-refundable credits reduce tax liability, subject to any applicable limitation based on the amount of tax under IRC 26 or IRC 38(c). However, non-refundable credits do not reduce taxes from Form 1040, Schedule 2, Additional Taxes.

Note: In general, unused general business credits are carried back one year and carried forward 20 years.

(2) A refundable credit is a credit that is not limited by the amount of tax liability. It is treated as a payment and applied to the tax liability. If the total credit or credits or payments exceed the taxpayer's tax liability, the excess is refundable. Examples of refundable credits are the Earned Income Tax Credit and the Additional Child Tax Credit. See IRM 21.6.3.4.2, Refundable Credits.

IRM 21.6.3.3 Added or other applicable command codes to the first sentence for additional clarity.

(1) Research credits on Integrated Data Retrieval System (IDRS), using Command Codes (CC) RTVUE, IMFOLT, TRDBV, or TXMODA, or other applicable command codes.

(2) The tax code permits a wide variety of credits. Follow the procedures in the following subsections for non-refundable and refundable credits. It may be necessary to research multiple subsections for certain credits.

(3) In order to assist with improving quality and timeliness of the work process, Accounts Management employees who have access must use the Integrated Automation Technologies (IAT) tools, such as xMend and REQ54, for any case involving credits. While xMend is generally used for adjusting accounts, if you are unable to use it, use the REQ54 tool. See Exhibit 21.2.2-2, Accounts Management Mandated IAT Tools.

(4) If a fraudulent claim is identified that does not have existing procedures, such as CAT-A, see Exhibit 21.5.3-4, Fraud Referral Claims.

(5) Several sections of this IRM advise employees to review CC IRPTR. Fraudulent IRPTR data may be submitted to the IRS by a fabricated entity or by individuals who use a valid EIN to file false Form 1099 or Form W-2 data. If either of the following warnings appear, **DO NOT** use this data.

- "WARNING - POTENTIAL FRAUDULENT PAYER TIN"
- "WARNING - POTENTIAL FRAUDULENT SUBMISSION"

IRM 21.6.3.4 Removed end date for no longer submitting e-911s.

(1) This section contains the procedures for non-refundable and refundable tax credits.

(2) A limited number of credits are reported directly on Form 1040, U.S. Individual Income Tax Return, Form 1040-SR, U.S. Tax Return for Seniors, or Form 1040-NR, U.S. Nonresident Alien Income Tax Return. All other credits are reported on Form 1040 / Form 1040-SR, Schedule 3, Additional Credits and Payments.

(3) For paper processing, if a required form or schedule is **missing**, follow the procedures in IRM 21.5.1.5.6, Incomplete CII Claims. If the form, schedule, or documentation is **incomplete** and cannot be perfected with available information, follow the claim processing procedures in IRM 21.5.3.4, General Claims Procedures.

(4) If a credit cannot be allowed, unless specifically directed otherwise, follow the procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action, or IRM 21.5.3.4.6, No Consideration and Disallowance of Claims and Amended Returns, as appropriate.

(5) When processing amended or duplicate returns, if the taxpayer was allowed the credit during original processing, but is not entitled to all or a portion of the credit based on changes made:

a. If the taxpayer didn't address the change, follow the procedures in IRM 21.5.4.4.1, Setting the Initial Math Error Action.

b. Explain to the taxpayer that the adjustment was made and the taxpayer will receive a notice explaining the adjustment and appeal rights.

Example: An amended return increasing income that now subjects the credit to limitation.

Example: TIN not assigned before the due date of the return. See specific requirements for each credit.

(6) Many credits require the primary taxpayer, secondary taxpayer, and, if applicable, the qualifying dependent(s) to have a valid Taxpayer Identification Number (TIN). See Exhibit 21.6.3-1, TIN Requirements for Exemptions/Dependents and Credits.

Note: An Internal Revenue Service Number (IRSN) is **not** a valid TIN for credit allowance.

(7) The American Opportunity Tax Credit, Additional Child Tax Credit, Child Tax Credit, Credit for Other Dependents, and the Earned Income Tax Credit require the taxpayer,

spouse, and qualifying child to have the TIN assigned on or before the due date, or extended due date, of the return.

Note: Any reference throughout this IRM to the date of TIN issuance being by the extended due date or due date (including extensions), include the disaster due date, as it is an extended due date beyond the original due date of the return.

(8) Rev. Rul. 2003-72 provides a uniform method of determining when a child attains a specific age for certain tax purposes. For **all** tax years, taxpayer inquiries or claims about this issue use the following information:

- A child attains a given age on the anniversary of the date that the child was born. For example, a child born on January 1, 2024, attains the age of 1 on January 1, 2025.
- The revenue ruling applies to age determination for children regarding dependent care benefits, adoption credits, child tax credits, earned income tax credits, dependent care assistance programs, foster care payments, adoption assistance programs, and dependency exemptions.

Certain credits (e.g., Child Tax Credit and Earned Income Tax Credit) contain age criteria that must be met for credit allowance.

a. Use CC INOLE to research IRS and SSA date of birth (DOB) and date of death (DOD) information. Use the Real Time System (RTS) to verify the DOB when an Individual Taxpayer Identification Number (ITIN) is involved. See IRM 3.21.263, IRS Individual Taxpayer Identification Number (ITIN) Real Time System (RTS).

b. If a taxpayer contacts the IRS concerning a math error issued as a result of a Social Security Number (SSN) discrepancy, and it cannot be resolved through verification or research, advise the taxpayer to contact their local SSA office to resolve the discrepancy.

c. To substantiate date of birth for tax purposes, the taxpayer must provide documentation, e.g., birth certificate, school records, baptism records, etc., for verification.

d. When the taxpayer provides the proper documentation, use CC DM1DT to add, change, or delete data to correct the date of birth. See IRM 2.3.25, Command Codes DM1DT and DTVUE, for CC input.

   Exception: Do not use CC DM1DT to update ITIN information. Complete a Form 4442, Inquiry Referral, and fax it along with the taxpayer documentation to the Austin Service Center (AUSC) ITIN unit at 855-854-8381.

(9) If the Child and Dependent Care Credit, Child Tax Credit, Credit for Other Dependents, Earned Income Tax Credit, Adoption Credit and/or Education Credit is being claimed for a

TIN for which our records indicate a date of death prior to the tax year, correspond before using math error procedures. In this instance, the IRS should notify taxpayers of the problem and provide them an opportunity to explain. The correspondence should state SSA records show a date of death prior to the tax year listed. State the TIN being used is for a person who was deceased prior to the tax year.

a. If the taxpayer provides documentation showing the math error is incorrect, use CC DM1DT to change or delete the DOD. See IRM 2.3.25, Command Codes DM1DT and DTVUE, for more information.

b. If proper documentation is not received, disallow the credit(s) and send Letter 105C, Claim Disallowed, using the following (state the specific credits, including exemptions if applicable, in an open paragraph):
"We are disallowing your claim for the credits below because you omitted a correct Social Security Number. The information provided by the Social Security Administration (SSA) shows the number provided belongs to an individual who was deceased prior to the beginning of the tax year for which it is being used."

Note: See IRM 21.6.1.6.1, Determining the Exemption/Dependent Deduction, for information on allowing exemptions.

(10) Take the following action on any CP 36, duplicate or amended return that claims refundable credits as noted below:

If	**Then**
A review of any duplicate or amended return shows a claim of social security benefits with refundable credits and the refund is equal to the amount of credits Or A review of any duplicate or amended return shows Household Employee income of **#** [redacted] **#** and a claim for a refundable credit.	1. Research CC IRPTR to substantiate the income and / or withholding. 2. "No consider" the request if CC IRPTR does not substantiate the request. Follow procedures in IRM 21.5.3.4.6.3, No Consideration Procedures. **Note:** Follow these procedures even though the refundable credit is below the specified tolerance amount.

(11) See IRM 20.1.2.2.6.2, Incorrect Tax Shown Recorded, to determine if an Item Reference Number (IRN) 871 must be input to update the "tax shown".

(12) **#** [redacted]

[redacted]

- [redacted]
- [redacted]
- [redacted]
- [redacted]

[redacted] #

(13) If there is a Transaction Code (TC) 810 Responsibility Code (RC) 4 (-E freeze) on a module and the taxpayer files an amended return with a questionable credit (e.g., Form 7202 or Schedule H, Credits for Sick Leave and Family Leave, Form 4136, Credit for Federal Tax Paid on Fuels, Form 8863, Education Credits, Schedule 3, line 13b, credit for repayment of amounts included in income from earlier years (IRC 1341, Claim of Right), etc.), refer to IRM 21.5.6.4.10.1, -E Freeze Due to a Transaction Code 810 Responsibility Code 4.

(14) # [redacted] #

(15) The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service (IRS), led by the National Taxpayer Advocate, that helps taxpayers and protects taxpayer rights. TAS offers free help to taxpayers when a tax problem is causing a financial difficulty, when they've tried and been unable to resolve their issue with the IRS, or when they believe an IRS system, process, or procedure just isn't working as it should. TAS strives to ensure that every taxpayer is treated fairly and knows and understands their rights under the Taxpayer Bill of Rights. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

(16) The TBOR lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For more information about the TBOR, see Taxpayer Bill of Rights.

(17) See IRM 21.1.3.18, Taxpayer Advocate Service (TAS) Guidelines, for handling requirements when a taxpayer is experiencing a hardship, an unusual delay in resolving their account issue, or specifically requests TAS assistance AND you cannot resolve the taxpayer's issue within 24 hours (i.e., "same day").

Note: As of January 5, 2026, TAS referrals can no longer be submitted through the AMS e-911 process.

IRM 21.6.3.4.1 Updated application of credits order to move Form 5695, Residential Clean Energy Credit, after Schedule 8812.

(1) Non-refundable credits are applied in the order that they appear in this section, unless stated otherwise in the specific credit section, form instructions, or publication:

- Form 1116, Foreign Tax Credit (Individual, Estate or Trust)
- Form 2441, Child and Dependent Care Expenses
- Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits)
- Form 8880, Credit for Qualified Retirement Savings Contributions
- Form 5695, Part 2- Energy Efficient Home Improvement Credit
- *Credit for Other Dependents
- *Child Tax Credit
- Form 5695, Part 1 - Residential Clean Energy Credit
- Form 3468, Investment Credit (in the following order—rehabilitation credit, energy credit, qualifying advanced coal project credit, qualifying gasification project credit, qualifying advanced energy project credit, qualifying therapeutic discovery project credit (carryforward only), advanced manufacturing investment credit, and clean electricity investment credit) (Parts II, III, IV, V, VI, VII)
- Form 5884, Work Opportunity Credit
- Form 6478, Biofuel Producer Credit
- Form 6765, Credit for Increasing Research Activities
- Form 8586, Low-Income Housing Credit

- Form 8830, Enhanced Oil Recovery Credit
- Form 8826, Disabled Access Credit
- Form 8835, Renewable Electricity Production Credit
- Form 8844, Empowerment Zone Employment Credit
- Renewal community employment credit (carryforward only)
- Form 8845, Indian Employment Credit (carryforward only)
- Form 8846, Credit for Employer Social Security and Medicare Taxes Paid on Certain Employee Tips
- Form 8820, Orphan Drug Credit
- Form 8874, New Markets Credit
- Form 8881, Credit for Small Employer Pension Plan Startup Costs and Auto-Enrollment (Part I)
- Form 8882, Credit for Employer-Provided Childcare Facilities and Services
- Form 8900, Qualified Railroad Track Maintenance Credit
- Form 8864, Biodiesel and Renewable Diesel Fuels Credit
- Form 8896, Low Sulfur Diesel Fuel Production Credit
- Form 8904, Credit for Oil and Gas Production from Marginal Wells
- Form 8906, Distilled Spirits Credit
- Form 7213, Advanced Nuclear Power Facility Production (Part I)
- Form 8907, Nonconventional Source Fuel Credit (carryforward only)
- Form 8908, Energy Efficient Home Credit
- Energy Efficient Appliance Credit (carryforward only)
- Form 8910, Alternative Motor Vehicle Credit (carryforward only)
- Form 8911, Alternative Fuel Vehicle Refueling Property Credit (Part I)
- Mine Rescue Team Training Credit (carryforward only)
- Agricultural Chemicals Security Credit (carryforward only)
- Form 8932, Credit for Employer Differential Wage Payments
- Form 8933, Carbon Oxide Sequestration Credit

- Qualified Plug-In Electric Vehicle Credit (carryforward only)
- Form 8936, Clean Vehicle Credit (Part II)
- Form 8941, Credit for Small Employer Health Insurance Premiums
- Employee Retention Credit for Employers Affected by Qualified Disasters (carryforward only)
- Form 8994, Employer Credit for Paid Family and Medical Leave
- Form 8881, Credit for Auto-Enrollment (Part II)
- Form 7213, Zero-Emission Nuclear Power Production (Part II)
- Form 8864, Sustainable Aviation Fuel
- Form 7210, Clean Hydrogen Production
- Form 7207, Advanced Manufacturing Production
- Form 7211, Clean Electricity Production Credit
- Form 7218, Clean Fuel Production Credit
- Form 8881, Military Spouse Retirement Plan Credit (Part III)
- Form 8801, Credit for Prior Year Minimum Tax - Individuals, Estates, and Trusts
- Form 8839, Qualified Adoption Expenses
- Schedule R, Credit for the Elderly or the Disabled
- Form 8396, Mortgage Interest Credit
- Form 8859, Carryforward of the District of Columbia First-Time Homebuyer Credit
- Form 8912, Credit to Holders of Tax Credit Bonds

Note: * CTC and ODC are applied to tax only after the non-refundable credit that appear before these credits on the tax return or appropriate schedule. This is done to help the taxpayer maximize their amount of credit.

(2) These non-refundable credits are:

a. Subtracted from the tax amount

b. Limited to the amount of the tax liability subject to any applicable limitation based on the amount of tax under IRC 26 or IRC 38(c)

c. Used before refundable credits

(3) Credits may be subject to limitation for taxpayers subject to the Alternative Minimum Tax; see Form 6251, Alternative Minimum Tax - Individuals.

(4) In general, non-refundable credits are allowed to the extent of the full amount of the individual's regular tax, alternative minimum tax (AMT), and excess advance premium tax credit repayment, but are not applied to additional taxes. Certain non-refundable credits are subject to a limitation based on the amount of tax under IRC 26 or IRC 38(c).

(5) Some credits may be eligible for carryback or carryover; refer to the individual form or schedule (see IRM 21.5.9, Carrybacks). In general, unused general business credits may be carried back one year and carried forward 20 years.

(6) For additional informations for credits that are also claimed on BMF tax modules, see IRM 21.7.4.4.8, Non-refundable Credits, Income Tax Returns, and it's subsections.

IRM 21.6.3.4.1.1 Added Live Chat as a method of taxpayer contact.

(1) Use the following procedures for non-refundable credit inquiries.

Note: When non-refundable credits requiring TIN validation are claimed, see IRM 21.6.1.7, Command Code DUPED and DDBCK, for proper use of CC DUPED and CC DDBCK for updating the Duplicate TIN database.

(2) When a taxpayer inquires by telephone or Live Chat:

a. Request identifying information from the taxpayer to ensure you have the correct person before disclosing any account information. See IRM 21.1.3.2.3, Required Taxpayer Authentication.

b. Accept oral statement for account action after disclosure information is verified. See IRM 21.1.3.20, Oral Statement Authority.

c. Consider all related information and/or examine all documents before making adjustments or answering taxpayer inquiries.

d. Enter remarks in the REMARKS section of an on-line adjustment. See IRM 21.5.2.4.6, Remarks Field.

e. If the adjustment is input on-line and a Form 4442/e-4442, Inquiry Referral, is not required, no source document is sent to files.

f. If the adjustment is not input on-line or by close of business, complete a Form 4442/e-4442, Inquiry Referral.

(3) Follow this table for all taxpayer inquiries about non-refundable credits. Refer to subsections in this section for specific credit information and procedures.

If the taxpayer	And	Then
Claimed the credit on the original return	Provides a copy of the correct form or substantiating information	Follow the specific subsection in this section and adjust the account.
Claimed the credit on the original return	Does **not** provide missing information	Follow IRM 21.5.4.4.5, Math Error Unsubstantiated Protest Processing.
Did **not** claim the credit on the original return.	N/A	Advise taxpayer to file an amended return.

(4) If written documentation is required, advise taxpayer to send it to the site receiving the contact.

Reminder: A fax is acceptable unless taxpayer's original signature is required. See IRM 21.5.3.4.4, Signature Requirements for Claims.

IRM 21.6.3.4.1.22 Updated that social security number must be issued before the due date (including extensions).

(1) The Child Tax Credit (CTC) is a non-refundable credit which is used to reduce the taxpayer's tax liability. The credit is a different amount and has different rules depending on the tax year.
Tax year 2025:

- Credit is $2,200 per child, up to $1,700 is refundable.
- For tax years 2025 and later, the taxpayer (or spouse, if married filing jointly), must have a valid SSN, which includes those marked valid for employment, issued before the due date, or extended due date, of the return.
- All other criteria is the same as tax years 2022 - 2024.

Tax years 2022 - 2024:

- Credit is $2,000 per child, with up to the following amounts refundable based on year; up to $1,500 for 2022, up to $1,600 for 2023, and up to $1,700 for 2024.
- The qualifying child **must have an SSN issued on or before the due date of the return** (including extensions).
- The taxpayer and spouse, if filing jointly, must have a valid TIN issued on or before the due date of the return (including extensions).

- The total of CTC and Credit for Other Dependents (ODC) is phased out by $50 for each $1,000 (or fraction thereof) the AGI exceeds $400,000 in the case of a joint return, $200,000 for all other filing statuses.
- Schedule 8812 is required for taxpayers claiming the Additional Child Tax Credit (ACTC).

Tax year 2021

- Credit is $3,000 for children ages 6 to 17 and $3,600 for children ages 5 and under by December 31, 2021.
- The entire credit is refundable if the taxpayer (or the spouse if the taxpayer files a joint return) lived in the United States for more than half of the year or is a bona fide resident of Puerto Rico for the year.
- No income is required.
- The qualifying child **must have an SSN issued on or before the due date of the return** (including extensions).
- The taxpayer and spouse, if filing jointly, must have a valid SSN or ITIN issued by the due date of the return (including extensions).
- The total of the CTC is phased out by $50 for each $1,000 (or fraction thereof) the AGI exceeds $150,000 in the case of a joint return/qualifying widow(er), $112,500 if HOH, $75,000 for all other filing statuses.
- When the 2021 increased CTC amount is reduced below what would have otherwise been applicable based on prior legislation, then the rules for tax years 2018-2020 and 2022-2024 apply.

  Example: A married filing jointly filer, 3 children ages 1, 3, and 7, with a MAGI of $250,000. Tentative CTC is $10,200.
  $250,000 - $150,000 income threshold = $100,000
  $100,000 X 5% phaseout ($50 for each $1,000) = $5,000
  $10,200 (tentative credit) - $5,000 = $5,200
  The increased credit amount is less than the credit allowed following prior year rules ($2,000 per child), therefore, total allowable CTC is $6,000.
- The credit was paid in advance, up to 50% of the CTC the taxpayer would have been eligible for 2021 based on the dependents claimed on the tax year 2020 return (2019 if a 2020 return was not filed).
- The advance payments must be reconciled on Schedule 8812, Credits for Qualifying Children and Other Dependents.
- Schedule 8812 is required to claim CTC.

For tax years 2018 - 2020:

- Credit is $2,000 per child, up to $1,400 is refundable.
- The qualifying child **must have an SSN issued on or before the due date of the return** (including extensions).
- The taxpayer and spouse, if filing jointly, must have a valid TIN issued on or before the due date of the return (including extensions).
- The total of CTC and ODC is phased out by $50 for each $1,000 (or fraction thereof) the AGI exceeds $400,000 in the case of a joint return, $200,000 for all other filing statuses.
- Schedule 8812 is required for taxpayers claiming the ACTC.

  Note: For taxpayers indicating a religious (e.g., Amish/Mennonite) or conscience-based objection to obtaining a TIN, refer to IRM 21.6.1.6.1, Determining the Exemption/Dependent Deduction.

(2) See IRM 21.6.3.4.2.8, Additional Child Tax Credit (ACTC), for more information on the refundable portion of the credit. For tax year 2021, ACTC is referred to as Refundable Child Tax Credit (RCTC) for taxpayers whose principal abode was in the United States for more than half of the year or was a bona fide resident of Puerto Rico for the year.

Reference - IRC 24

IRM 21.6.3.4.1.22.1 Updated that a social security number must be issued before the due date (including extensions).

(1) To qualify for the credit, the child must:

- Be claimed as a dependent on the return
- Be the taxpayer's son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them
- Under age 17 (18 for tax year 2021 only) at the end of the calendar year. Command Code (CC) INOLE, or in the case of an ITIN, the Real Time System (RTS) can be used to verify date of birth. See IRM 3.21.263, IRS Individual Taxpayer Identification Number (ITIN) Real Time System (RTS)
- Did not provide over half of their own support for the tax year
- Generally, live with the taxpayer for more than half of the tax year
- A U.S. citizen, U.S. national, or a resident of the United States

Note: For tax years 2025 and later, the child must be a U.S. citizen or resident alien.

(2) The taxpayer must furnish one of the following types of valid TINs for each qualifying child.

- An SSN issued by the Social Security Administration
- An ITIN issued by the IRS if the individual is not eligible for an SSN
- An ATIN issued by the IRS for a child while an adoption is pending

Reminder: For tax years 2018 and later, qualifying children for CTC must have an **SSN** on or before the due date of the return, including extensions.
For tax years 2018-2025, if the child does not qualify for CTC (e.g., does not have an SSN or meet the age requirement), they may qualify for the Credit for Other Dependents (ODC), see IRM 21.6.3.4.1.22.3, Credit for Other Dependents (ODC). For more information, see Publication 972, Child Tax Credit and Credit for Other Dependents, (tax years 2020 and prior) or Instructions for Schedule 8812, Credits for Qualifying Children and Other Dependents, (tax year 2021 and later). If the taxpayer claims CTC for a child age 19, the child does not qualify for CTC but would qualify for ODC. Partially disallow the claim and allow ODC instead of CTC.

Exception: If a qualifying child was born and died in the same year and an SSN was not issued for the child, the taxpayer should enter "Died" in the field where the SSN would be listed in the Dependents section. The taxpayer must include a copy of the child's birth certificate, death certificate, or hospital records showing the child was born alive.

Note: See IRM 3.13.5.83, Individual Taxpayer Identification Numbers (ITINs), and IRM 3.13.5.84, Adoption Taxpayer Identification Numbers (ATINs), for information about ITIN/ATIN issues. Also see IRM 21.6.3.4, Credits Procedures, for information about valid/correct TIN information. For math errors involving ITINs, see IRM 21.6.1.6.6.2, ITIN Renewal Math Error Adjustments.

(3) All taxpayers, the primary, secondary (if applicable), and all qualifying children must have their TIN assigned on or before the due date, or extended due date, of the return.

Note: For tax years 2025 and later, the taxpayer (or spouse, if married filing jointly), must have a valid SSN, which includes those marked valid for employment, issued before the due date, or extended due date, of the return.

IRM 21.6.3.4.1.25 Clarified information regarding the termination of the Residential Energy Credit.

(1) Form 5695, Residential Energy Credits, is used by qualified taxpayers who made qualified residential clean energy or energy efficient home improvement purchases. It is divided into two parts.

(2) **Part 1 - Residential Energy Efficient Property Credit (2021 and prior) Residential Clean Energy Credit (2022 and subsequent) (IRC 25D)** Provides taxpayers a credit for qualified expenditures to their residence located in the United States. A taxpayer may receive a credit on the amounts spent for adding one or more of the following to their home:

- Solar electric
- Solar water heating
- Small wind energy
- Geothermal heat pump
- Fuel cell
- Biomass fuel (tax years 2021 and 2022)
- Battery storage technology with a capacity of at least 3 kilowatt hours (tax years 2023 through 2025)

The credit is limited to the following percentages of the cost of the qualified expenditure:

- property placed in service after December 31, 2016, and before January 1, 2020, 30%
- property placed in service after December 31, 2019, and before January 1, 2022, 26%
- property placed in service after December 31, 2021, and before January 1, 2026, 30%

  Note: Fuel cell property is limited to the lesser of the expenditures shown above or $500 for each half kilowatt of capacity of the qualified fuel cell property.

(3) The Residential Clean Energy Credit does not apply to expenditures made after December 31, 2025, except as otherwise provided by law.

(4) **Part 2 - Nonbusiness Energy Property Credit (2021 and prior) Energy Efficient Home Improvement Credit (2022 and subsequent) (IRC 25C)**
Provides taxpayers a credit for improving the energy efficiency of an existing home. The credit is available for costs related to items such as high efficiency heating and cooling systems, water heaters, windows, doors and insulation.
For tax years 2023 through 2025, the allowable credit is 30% of the amount paid for

qualified energy efficiency improvements, residential energy property expenditures, and home energy audits, generally limited to $1,200 annually. There is a separate annual limit of $2,000 for qualified expenditures for heat pumps, heat pump water heaters, and biomass stoves and boilers. Therefore, the total annual credit is limited to $3,200. There is no lifetime limit. Specifically, the credit is limited as follows:

- Any item of qualified energy property is limited to $600
- Windows - total of all exterior windows and skylights is limited to $600
- Doors - any exterior door is limited to $250, total of all exterior doors is limited to $500
- Home energy audits - limited to $150

(5) The Energy Efficient Home Improvement Credit applies only to qualified property placed in service on or before December 31, 2025.

(6) If either residential energy credit is claimed in addition to certain other non-refundable credits, then the taxpayer must compute these credits before completing the carryforward section of Form 5695. See IRM 21.6.3.4.1(1) Non-refundable Credits Procedures, and the Form 5695 instructions for additional information.

(7) Taxpayers may continue to claim allowable carryforwards generated before the termination of the credit. The termination of the credit does not eliminate otherwise allowable carryforward amounts.

(8) The credit is claimed on Form 1040, Schedule 3, Additional Credits and Payments.

(9) To adjust the account based on the credit:

a. Use TC 291 with a money amount to allow/increase the credit.

b. Use TC 290 with a money amount to decrease the credit.

c. Use RC 036 and the applicable source code and blocking series.

(10) See Form 5695 and Instructions for Form 5695 Residential Energy Credits for detailed information.
For more information on Residential Energy Credits, see Frequently asked questions about energy efficient home improvements and residential clean energy property credits.

IRM 21.6.3.4.1.30 Updated credit expiration date for the Small Agri-Biodiesel Producer Credit based on the Working Families Tax Cuts (WFTC).

(1) Form 8864, Biodiesel, Renewable Diesel, or Sustainable Aviation Fuels Credit, is used to claim a credit for the tax year in which the sale or use occurs. The credit consists of:

- Biodiesel Credit (terminated December 31, 2024)
- Renewable Diesel Credit (terminated December 31, 2024)
- Biodiesel Mixture Credit (terminated December 31, 2024)
- Renewable Diesel Mixture Credit(terminated December 31, 2024)
- Small Agri-Biodiesel Producer Credit (extended until December 31, 2026, by P.L. 119-21, Working Families Tax Cuts (WFTC)
- Sustainable Aviation Fuels Credit (terminated December 31, 2024)

(2) For the Small Agri-Biodiesel Producer Credit, fuel sold or used after June 30, 2025, the qualified agri-biodiesel must be exclusively derived from feedstock that was produced or grown in the United States, Mexico, or Canada.

(3) For tax years 2006 through 2024 (except for Small Agri-Biodiesel Producer Credit which is extended through 2026), the credit can be claimed as a general business credit on Form 3800, General Business Credit. Taxpayers must attach Form 8864 to their return.

(4) To adjust the account based on the credit:

a. Use TC 291 with a money amount to allow/increase the credit.

b. Use TC 290 with a money amount to decrease the credit.

c. Use RC 036 and the applicable source code and blocking series.

(5) See IRM 21.7.4.4.8.3.22, Form 8864, Biodiesel, Renewable Diesel, or Sustainable Aviation Fuels Credit, Form 8864 and Instructions for Form 8864, Biodiesel, Renewable Diesel, or Sustainable Aviation Fuels Credit for detailed information.

Reference - IRC 40A

IRM 21.6.3.4.1.34 Updated credit expiration date for the Alternative Fuel Vehicle Refueling Property Credit based on the Working Families Tax Cuts (WFTC)

(1) Form 8911, Alternative Fuel Vehicle Refueling Property Credit, is used to claim a tax credit for a portion of the cost of qualified alternative fuel vehicle refueling property placed in service after December 31, 2005, and before July 1, 2026, per IRC 30C. The refueling property may be used in the taxpayer's trade or business or installed at the taxpayer's principal residence.
Taxpayers are allowed a credit of 30% (6% in the case of property of a character subject to depreciation which does not meet wage and apprenticeship requirements) of the cost of any qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year, not to exceed:

- $30,000 for all property at a single location that is subject to depreciation (business use) and placed in service prior to January 1, 2023
- $100,000 per item of property subject to depreciation (business use), and placed in service after December 31, 2022
- $1,000 per location, for all other items (personal use) of property at a single location that are placed in service prior to January 1, 2023
- $1,000 per item of property, for all other items (personal use) of property placed in service after December 31, 2022

(2) The personal part of the credit is claimed on Form 1040, Schedule 3, Additional Credits and Payments. The business/investment part of the credit is claimed as a general business credit on Form 3800, General Business Credit, if the property is subject to an allowance for depreciation.

(3) See IRM 21.7.4.4.8.3.29, Form 8911, Alternative Fuel Vehicle Refueling Property Credit, for more information.

(4) To adjust the account based on the credit:

a. Use TC 291 with a money amount to allow/increase the credit.

b. Use TC 290 with a money amount to decrease the credit.

c. Use RC 036 and the applicable source code and blocking series.

(5) See Form 8911 and Instructions for Alternative Fuel Vehicle Refueling Property Credit, for detailed information.

IRM 21.6.3.4.1.36.1 Added that vehicles had to be acquired before September 30, 2025.

(1) **New Clean Vehicle Credit (IRC 30D)**
The credit amount depends on when the vehicle was placed in service.
For vehicles placed in service from January 1, 2023 to April 17, 2023:

- $2,500 base amount
- Plus $417 for a vehicle with at least 7 kilowatt hours (kWh) of battery capacity
- Plus $417 for each kWh of battery capacity beyond 5 kWh

  Note: In general, the minimum credit is $3,751 ($2,500 + 3 times $417), the credit amount for a vehicle with the minimum 7 kWh of battery capacity.

Example: For a vehicle with 11 kWh of battery capacity, the credit is $5,419 ($2,500 base amount, plus $417 for a vehicle with at least 7 kWh of battery capacity, plus $2,502 for the 6 kWh beyond 5 kWh).

For vehicles placed in service April 18, 2023 and acquired before September 30, 2025:

- $3,750 if the vehicle meets the critical minerals requirement only
- $3,750 if the vehicle meets the battery components requirement only
- $7,500 if the vehicle meets both

(2) To be eligible for this credit, the taxpayer must:

- Purchase or lease the vehicle for personal use and not for resale
- Use the vehicle primarily in the United States
- Be the first owner of the vehicle
- Have a modified adjusted gross income (MAGI) that does not exceed:

- $300,000 for married filing jointly, qualifying surviving spouse or qualifying widow(er)
- $225,000 for head of household
- $150,000 for all other filing statuses

Note: Taxpayers can use the MAGI from either the current or preceding tax year to meet the MAGI requirement.

(3) Qualified new clean vehicles must meet the following requirements:

- Manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and has at least 4 wheels
- Battery capacity of at least 7 kWh and capable of being recharged from an external source of electricity
- Gross vehicle weight rating (GVWR) of less than 14,000 pounds
- Manufactured by a qualified manufacturer that reports the vehicle identification numbers (VINs) and required information for each vehicle they manufacture to the IRS
- Final assembly completed in North America
- Meets one or both of the critical minerals and battery components requirements (as of April 18, 2023)
- Treated as a motor vehicle for purposes of title II of the Clean Air Act.
- The vehicle’s manufacturer suggested retail price (MSRP) cannot exceed:

- $80,000 for vans, sport utility vehicles and pickup trucks
- $55,000 for other vehicles

Note: The MSRP is on the vehicle information label attached to each vehicle on a dealer's premises. It does not include destination charges, optional items added by the dealer, or taxes and fees. It may differ from the actual purchase price.

The registered dealer or seller of the vehicle must provide the buyer with a seller's report including the make, model, vehicle identification number (VIN) of the vehicle, the name and tax identification number of the taxpayer, the vehicle's battery capacity, verification that the vehicle's original use commences with the taxpayer, the maximum credit the taxpayer is permitted with respect to the vehicle, and, if elected by the taxpayer, any amount paid by the dealer to the taxpayer in exchange for the transfer of the credit to the dealer. See IRM 21.6.3.4.1.36.2 (4&5) for information about transferring the credit to the dealer. Dealers and sellers are not required to submit this to the IRS until tax year 2024 / processing year 2025.

(4) **Previously-Owned Clean Vehicles Credit (IRC 25E)**
To be eligible for this credit, the taxpayer must:

- Purchase the vehicle for personal use and not for resale
- Not be claimed as a dependent on another taxpayer's return
- Have not been allowed another previously-owned clean vehicle credit in the three-year period prior to the date the previously-owned clean vehicle is purchased
- Not be the original owner of the vehicle
- Use the vehicle primarily in the United States
- Have a modified adjusted gross income (MAGI) that does not exceed:

- $150,000 for married filing jointly, qualifying surviving spouse or qualifying widow(er)
- $112,500 for head of household
- $75,000 for all other filing statuses

Note: Taxpayers can use the MAGI from either the current or preceding tax year to meet the MAGI requirement.

(5) Qualified previously-owned clean vehicles must meet the following requirements:

- Sale price of $25,000 or less
- Model year at least two years earlier than the calendar year in which a taxpayer acquires the vehicle (e.g., a vehicle purchased in 2023 would need to be a model year 2021 or older)
- First time transferred to a qualified buyer after August 16, 2022
- GVWR of less than 14,000 pounds

- An eligible fuel cell vehicle (FCV) or plug-in electric vehicle (EV) with a battery capacity of least 7 kilowatt hours
- Manufactured by a qualified manufacturer that reports the VINs and required information for each vehicle they manufacture to the IRS
- Treated as a motor vehicle for purposes of title II of the Clean Air Act

Note: The registered dealer or seller of the vehicle must provide the buyer with a seller's report including the make, model, vehicle identification number (VIN) of the vehicle, the name and tax identification number of the taxpayer, the vehicle's battery capacity, the maximum credit the taxpayer is permitted with respect to the vehicle, and, if elected by the taxpayer, any amount paid by the dealer to the taxpayer in exchange for the transfer of the credit to the dealer. See IRM 21.6.3.4.1.36.2 (4&5) for information about transferring the credit to the dealer. Dealers and sellers are not required to submit this to the IRS until tax year 2024 / processing year 2025.

IRM 21.6.3.4.2.4 Added note in paragraph 5 to change TIN to EIN, not SSN.

(1) Employees are subject to social security tax and the equivalent portion of the RRTA Tier I Tax based on the following wage limitations:

YEAR	MAXIMUM SOCIAL SECURITY WAGES	PERCENT EMPLOYEE TAX W/H	MAXIMUM SOCIAL SECURITY TAX W/H
2025	$176,100	6.2	$10,918.20
2024	$168,600	6.2	$10,453.20
2023	$160,200	6.2	$9,932.40
2022	$147,000	6.2	$9,114.00
2021	$142,800	6.2	$8,853.60

(2) Employees are subject to the employee portion of Medicare tax (shown separately on Form W-2, Wage and Tax Statement), at the rate of 1.45%. There is no wage base limit for Medicare tax. All wages are subject to the tax. Thus, there is no excess Medicare tax credit.

(3) For withholding purposes, the above social security tax (and equivalent portion of the RRTA Tier I tax) maximum applies separately with respect to each employer for whom an employee works. If an employee works for one employer and receives the maximum social security wages and also works for another employer in the same calendar year, the second

employer is also required to deduct social security tax from the employee's wages up to the maximum social security tax.

(4) If more than the maximum social security tax (or equivalent portion of the RRTA Tier I tax, or more than 6.2%) is deducted from the wages of the employee, the employee can receive a credit for the social security tax or RRTA Tier I withheld more than the maximum social security tax or RRTA Tier I tax. This credit is available only if such withholding is the result of the employee working for two or more employers. This credit is taken on Form 1040 / Form 1040-SR, Schedule 3, Additional Credits and Payments.

(5) If an employee has more than the maximum social security or RRTA Tier I taxes deducted from their total wages, the action depends on the information entered on the Forms W-2 received by the employee.

If	**Then**
The employee has one Form W-2 on which more than the maximum social security or RRTA Tier I tax was withheld	Release the -A freeze, if applicable, send Letter 404C, FICA / Railroad Retirement Tax Withheld in Excess; Instructions for Claiming Credit, and advise the taxpayer: • You cannot claim excess social security withheld from the same employer as a credit against your income tax. • Contact the employer to get a refund of the excess social security tax withheld. • If you cannot obtain reimbursement from the employer, you need a signed statement from the employer indicating the employee had not authorized employer to file a claim, nor had employee been reimbursed for amount over-withheld. • Submit Form 843. If the taxpayer files a Form 843: **Claims for excess social security** - use the **Update Case Data** function on CII to change the information as follows: Doc Type: Correspondence 94X MFT: 01 Category: PHZ1 Program: 10006 Update the TIN from the SSN to the EIN before reassigning to BMF. Select the BMF campus (Cincinnati or Ogden) based on the following. Do not route to the address below.

	Andover, Austin, Memphis, and Philadelphia - reassign to Cincinnati Atlanta, Brookhaven, Fresno, and Kansas City - reassign to Ogden **Claims for RRTA Tier I or Tier II** - route to: IRS Large Corp / Technical Unit Stop 537G 7940 Kentucky Dr. Florence, KY 41042 **Exception:** If the issuer of the W-2 is a Professional Employer Organization (PEO) or Certified Professional Employer Organization (CPEO) (a payroll processing company) follow the procedures in the last If/Then below.
The employee has separate Forms W–2 with different EINs	The employee can claim a credit for excess social security or RRTA Tier I tax.
The employee has separate Forms W–2 with the same EIN	The employee can claim a credit for excess social security or RRTA Tier I tax withheld if: • The "Employer's Name" box (Box c) on the Form W-2 reflects the fact that the wages were paid as agent for another employer and such excess withholding was the result of paying wages as agent for one or more other employers. See instructions to Form W-2 (Special Reporting Situations). • It appears that a parent company and one or more of its subsidiaries are responsible for the excess amount • The W-2 was issued by a Professional Employer Organization (PEO) or Certified Professional Employer Organization (CPEO) (a payroll processing company). **Note:** The Form W-2 won't show it was issued by a PEO or CPEO, but if the taxpayer says the W-2 was issued by one, allow the credit. If neither situation applies, follow procedures in the first If/Then.

(6) If FICA taxes were withheld when the taxpayer is not liable for FICA tax, see IRM 21.7.2.4.4.4.2, Excess Social Security and Medicare Tax Withheld - Employee Claims for Refund.

Note: If the taxpayer is a visa holder, and exempt from FICA, see IRM 21.8.2.7, Visa Holders - General, and it's subsections for more information.

(7) If an adjustment is required, take the following action:

a. Verify the overpayment of social security or RRTA Tier I tax withheld based on Forms W–2.

b. Input Credit Reference Number (CRN) 252 to allow the excess social security or RRTA Tier I tax withheld. The CRN 252 generates a Transaction Code (TC) 766.

   Note: Input an override code "N" on CC ADJ54.

c. Input CRN 252 with a minus (-) to reduce previously posted excess social security or RRTA Tier I tax. The CRN 252 generates a Transaction Code (TC) 767.

d. Use Reason Code 055, and the applicable source code and blocking series.

e. Refer to IRM 20.1, Penalty Handbook, for possible estimated tax penalty adjustment.

   Note: The excess amount of social security or RRTA Tier I tax withheld must be computed separately for each spouse on a married filing jointly return.

(8) For information about RRTA Tier I, Tier II or CT-1 claims, see IRM 21.7.2.6.5.7, Claims filed on Form CT-1X and Form 843. Excess RRTA Tier II tax credits must be claimed on Form 843, not the Form 1040.

IRM 21.6.3.4.2.12 Corrected repayment limitation amounts in paragraph 9.

(1) The Patient Protection and Affordable Care Act (ACA) (PL 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (PL 111-152), created IRC 36B, which provides a refundable tax credit to help individuals and families afford health insurance purchased through the Health Insurance Marketplace. The Premium Tax Credit (PTC) is effective for tax years 2014 and subsequent.

(2) The amount of a taxpayer's PTC is based on the taxpayer's household income, family size and the cost of health insurance available to the taxpayer's coverage family.

(3) The Marketplace offers health insurance plans at four standardized levels: bronze, silver, gold and platinum. The coverage for all plans at a certain level are the same, but costs and providers may differ. Bronze plans have the lowest premiums and cover 60% of health care costs; platinum plans have the highest premiums and cover 90% of costs.

(4) A taxpayer's total PTC is determined as the smaller of the taxpayer's enrollment premiums or the premiums for the Second Lowest Cost Silver Plan (SLCSP) available to the taxpayer's coverage family (also known as the benchmark plan) minus the taxpayer's contribution amount.

(5) The contribution amount is the amount of premiums the taxpayer would be required to pay if the taxpayer's coverage family enrolled in the benchmark plan. The contribution amount is computed by multiplying the taxpayer's household income by a percentage.

- **2025 -** the percentages range from 0 to 9.02. For taxpayers with household income below 150% of the Federal Poverty Line (FPL) for the taxpayer's family size, the percentage is 0. The percentage is 9.02 for taxpayers with household income at or above 400% of the FPL. For all others, the percentage is between 0 and 9.02.
- **2021** through **2024** - the percentages range from 0 to 8.5. For taxpayers with household income below 200% of the Federal Poverty Line (FPL) for the taxpayer's family size, the percentage is 0. The percentage is 8.5 for taxpayers with household income at or above 400% of the FPL. For all others, the percentage is between 0 and 8.5.

  Note: For tax years 2021 through 2025, taxpayers with a household income over 400% of the FPL may qualify for PTC.
- **2020** - the percentages range from 2.06 to 9.78. For taxpayers with household income less than 133% of the FPL for the taxpayer's family size, the range begins at 2.06, and for taxpayers with household income between 300% and 400% of the FPL, the range ends at 9.78.
- **2019** - the percentages range from 2.08 to 9.86. For taxpayers with household income less than 133% of the FPL for the taxpayer's family size, the range begins at 2.08, and for taxpayers with household income between 300% and 400% of the FPL, the range ends at 9.86.

The PTC is computed on a month-by-month basis and involves many special rules.

Note: FPL tables change from year to year. The table to use is the table in effect at open enrollment, so for tax year 2025, the 2024 FPL table is used.

Note: For tax year 2021, any taxpayer who received, or was approved to receive unemployment compensation is treated as an applicable taxpayer and as having household income of no more than 133% of the FPL. Taxpayers check box A on Form 8962, to show they received unemployment compensation. If married, taxpayers must file a joint return to receive PTC unless special rules for victims of domestic violence and abandonment apply.

(6) To claim the credit, taxpayers must complete Form 8962, Premium Tax Credit.

(7) Eligible taxpayers can choose to have advance payments of the premium tax credit made on their behalf to help cover the cost of insurance premiums. The Health Insurance Marketplace (not the IRS) determines eligibility and the amount of advance payment by using information from a variety of sources (e.g., tax data provided by the IRS, information provided by the applicant, data from other government agencies, etc.). The Bureau of the Fiscal Service issues the advance payment directly to the insurance provider monthly.

(8) Taxpayers who choose to receive advance payments must reconcile the amount of the advance payment with the amount of the PTC the taxpayer is allowed. The reconciliation and the computation of the PTC are done on Form 8962, Premium Tax Credit. A taxpayer who has excess advance payments (the advance payment is more than the allowed PTC) must treat the excess amount as a tax liability, subject to a limitation for taxpayer whose household income is below 400% of the FPL for their family size (limitations do not apply in all circumstances). Taxpayers whose net PTC exceeds the amount of advance payment for the tax year may receive the excess as a refundable credit.

Note: The American Rescue Plan Act of 2021 suspended the requirement that taxpayers repay their excess advance payments of the PTC for 2020. If the taxpayer had excess APTC for 2020 that equaled more than their allowable PTC, they were not required to file Form 8962 or report an excess advance premium tax credit repayment.

(9) The repayment limitation for advance payments are as follows:

2025

- $375 for single ($750 for all other filing statuses) with household income under 200% of the FPL
- $975 for single ($1,950 for all other filing statuses) with household income at least 200% but less than 300% of FPL
- $1,625 for single ($3,250 for all other filing statuses) with household income of at least 300% but less than 400% of the FPL

2024

- $375 for single ($750 for all other filing statuses) with household income under 200% of the FPL
- $950 for single ($1,900 for all other filing statuses) with household income at least 200% but less than 300% of FPL
- $1,575 for single ($3,150 for all other filing statuses) with household income of at least 300% but less than 400% of the FPL

2023

- $350 for single ($700 for all other filing statuses) with household income under 200% of the FPL

- $900 for single ($1,800 for all other filing statuses) with household income at least 200% but less than 300% of FPL
- $1,500 for single ($3,000 for all other filing statuses) with household income of at least 300% but less than 400% of the FPL

2022

- $325 for single ($650 for all other filing statuses) with household income under 200% of the FPL
- $825 for single ($1,650 for all other filing statuses) with household income at least 200% but less than 300% of FPL
- $1,400 for single ($2,800 for all other filing statuses) with household income of at least 300% but less than 400% of the FPL

(10) Taxpayers who received the benefit of advance payments for health insurance coverage must file a tax return for that year (except tax year 2020) and attach Form 8962 to reconcile the advance payment. Taxpayers must file and reconcile even if they do not otherwise have a filing requirement. In addition, failure to reconcile advance payments may jeopardize the taxpayer's eligibility for advance payments for subsequent years.

Example: When applying for health insurance through a Health Insurance Marketplace for 2026 in October 2025, you are not eligible for advance payment until you reconcile the advance payments received in 2024 and prior.

(11) Taxpayers who enrolled themselves or a dependent in health insurance through a Health Insurance Marketplace receive a Form 1095-A, Health Insurance Marketplace Statement. The data on Form 1095-A assists taxpayers in completing Form 8962. This information is reported to the IRS. For more information on Form 1095-A, see IRM 21.3.6.5, Health Coverage Statements.

(12) Individuals with a qualified health plan that covers at least one individual in their tax family and at least one individual not in their tax family, may have to allocate policy amounts (enrollment premiums, SLCSP premiums, and/or advance payments) using Form 8962, Part IV - Allocation of Policy Amounts. See Form 8962 instructions for more information on allocation of policy amounts.

Note: If allocating policy amounts, taxpayers must complete the monthly calculation in Part II.

(13) Taxpayers must attach Form 8962 to Form 1040 / Form 1040-SR, Schedule 3, Additional Credits and Payments, to claim a credit, or Schedule 2, Additional Taxes, to report a repayment.

(14) Additional information can be found in Pub. 974, Premium Tax Credit (PTC).

(15) Control cases as follows:

Type	Category Code	Program	CII Document Type
Loose Forms	ACA5	40313	ACA-Loose Forms
Correspondence	ACA7	40310	ACA-Correspondence
Spanish	ACAC	40317	ACA-Spanish
Form 1040-X	ACAX	40320	ACA-1040X

Exception: These ACA category codes must be used unless directed otherwise by another IRM.

Exhibit 21.6.3-1 Updated CTC TIN requirements.

The tables below provide TIN requirements for exemptions/dependents and certain credits. EITC, CTC, ACTC, AOTC, and ODC require all TINs be issued on or before the due date, extended due date, or disaster due date of the return.

Exception: If a child otherwise qualifies for CTC, but they did not have an SSN issued by the due date of the return, they qualify for ODC.

Note: For taxpayers indicating a religious (e.g., Amish/Mennonite) or conscience-based objection to obtaining a TIN, refer to IRM 21.6.1.6.1, Determining the Exemption Deduction.

Exemptions:

	Allowed with valid SSN	Allowed with valid ITIN	Allowed with valid ATIN
Primary TIN	Yes	Yes	N/A
Secondary TIN	Yes	Yes	N/A
Dependent TIN	Yes	Yes	Yes

Earned Income Tax Credit

Note: The SSNs for the primary, secondary (if a joint return), and the EITC qualifying child(ren) considered in computing the credit, ALL must be valid before EITC can be allowed.

	Allowed with valid SSN	Allowed with valid ITIN	Allowed with valid ATIN
Primary TIN	Yes	No	No
Secondary TIN	Yes	No	No
Qualifying Child TIN	Yes	No	No

Child and Dependent Care Credit

	Allowed with valid SSN	Allowed with valid ITIN	Allowed with valid ATIN
Child care provider TIN on Form 2441	Yes	Yes	Yes
Qualifying Person's TIN on Form 2441	Yes	Yes	Yes

Other Credits

	Allowed with valid SSN	Allowed with valid ITIN	Allowed with valid ATIN
Child Tax Credit / Additional Child Tax Credit (tax years 2018 - 2024)	Yes	• Primary - Yes • Secondary - Yes • Dependent - No	No
Child Tax Credit / Additional Child Tax Credit (tax years 2025 and later)	Yes	For tax years 2025 and later, the primary (or secondary, if married filing jointly), must have a valid SSN, which includes those marked valid for employment, issued before the due date, or extended due date, of the return.	No
Lifetime Learning Credit	Yes	Yes	Yes
American Opportunity Tax Credit	Yes	Yes	Yes

Adoption Credit	Yes	Yes	Yes
Credit for Other Dependents	Yes	Yes	Yes
Recovery Rebate Credit	Yes	Yes, if a joint filer, and one spouse is a member of the military, then only one valid SSN is required	Yes

IRM 21.6.3 Various editorial changes throughout the IRM to update and/or correct grammar, spelling, plain language, tax years, websites, IRM reference numbers and titles, citations, and other non-substantive changes. An artificial intelligence (AI) tool assisted with editorial revisions throughout this IRM section, including applying plain language techniques, adhering to the IRM Style Guide and content organization. Updated references throughout the IRM from "One Big Beautiful Bill Act (OBBBA) or (OB3)" to "Working Families Tax Cuts (WFTC)" in accordance with guidance from the Treasury Public Affairs Office.