

VITA/TCE Volunteer Tax Alert

VTA 2022-03, Reconciling Advance Child Tax Credit and Economic Impact Payments

Purpose

This VTA is to inform partners that taxpayers should bring Letter 6419, 2021 Total Advance Child Tax Credit (AdvCTC) Payments, and Letter 6475, Your 2021 Economic Impact Payment(s), with them to VITA/TCE sites to reconcile these payments on their 2021 federal income tax returns. Note: adding the incorrect payments received on the tax return could cause the tax refund to be delayed.

AdvCTC Payments

Letter 6419 includes the total amount of advance child tax credit payments taxpayers received in 2021 and the number of qualifying children used to calculate the advance payments.

Families who received advance payments must file a 2021 tax return and compare the advance payments they received in 2021 with the amount of the child tax credit they can properly claim on their 2021 tax return.

Eligible families who did not receive any advance child tax credit payments can claim the full amount of the child tax credit on their 2021 federal tax return. This includes families who don't normally need to file a tax return.

What if Letter 6419 has a different advance payment total than expected?

For the majority of taxpayers, the advance payments total in Letter 6419 will match the total in the IRS Online Account.

If the advance payments total differs between their Letter 6419 and their IRS Online Account, they should rely on the total in their **Online Account**. If the person believes they received a different amount than what the letter indicates, they should check the IRS Online Account; this is the information the IRS has on file. Submitting a different amount on the tax return could mean additional IRS review is needed and could mean a refund delay.

The IRS Online Account has the most current advance payment information. Caution: Do not rely on the Child Tax Credit Update Portal or Tax Transcripts for the advance payments total; this information may be outdated.

If Married Filing Jointly, remember to check amounts for both spouses

If married taxpayers received advance payments based on a joint return, each spouse is treated as having received half of the payments, unless one of them took steps to unenroll from payments in 2021 using the Child Tax Credit Update Portal.

To reconcile their advance payments on their joint 2021 tax return, each spouse should add the advance payments together to provide the total amount of their advance payments.

Economic Impact Payments

Letter 6475 only applies to the third round of Economic Impact Payments, which were issued in March through December of 2021. The third round of Economic Impact Payments, including "plus-up" payments, were advance payments of the 2021 recovery rebate credit that would be claimed on a 2021 tax return.

Most eligible people already received the payments. However, people who are missing stimulus payments should review information on IRS.gov to determine their eligibility and whether they need to claim a recovery rebate credit for 2020 or 2021. This includes people who don't normally need to file a tax return.

Message for SPEC Employees, Partners and Volunteers

Remind taxpayers to bring Letter 6419 and Letter 6475 with them to the VITA/TCE site. Volunteers should look for these letters and confirm the information with taxpayers.

Resources

For specific information refer to the following resources:

- **[Understanding Your Letter 6419 | Internal Revenue Service \(irs.gov\)](#)**
- **[2021 Child Tax Credit and Advance Child Tax Credit Payments — Topic H: Reconciling Your Advance Child Tax Credit Payments on Your 2021 Tax Return | Internal Revenue Service \(irs.gov\)](#)**
- **[IRS Statement — Child Tax Credit Letters | Internal Revenue Service](#)**
- **[Special tips for the advance Child Tax Credit and filing the 2021 tax return | Internal Revenue Service \(irs.gov\)](#)**
- **[2021 Recovery Rebate Credit — Topic G: Finding the Third Economic Impact Payment Amount to Calculate the 2021 Recovery Rebate Credit | Internal Revenue Service \(irs.gov\)](#)**

Thank you for volunteering and for your dedication to top QUALITY service!