

NEWS RELEASE

Arizona Supreme Court
Administrative Office of the Courts



Contact: Aaron Nash
Phone: 602-452-3656
Email: anash@courts.az.gov

June 23, 2021

Guidance on 2021 Child Tax Credit Starting July 1

PHOENIX – The Arizona Judicial Branch posted a two-page document for the public, offering guidance on the impact to child support from advance payments under the American Rescue Plan Act of 2021 (Act). The program temporarily increases the federal child tax credit for the 2021 tax year for families with low- to middle-incomes. Most families with children 17 years of age and younger will be eligible for the tax credit, with eligibility phasing out for higher income earners.

Eligible individuals will receive half of the credit through monthly payments from July through December 2021, claiming the remaining half when filing their 2021 taxes in 2022. Individuals are automatically enrolled unless they opt out of the monthly payment program with the Internal Revenue Service (IRS). Those who opt out will be eligible for the full credit when filing their 2021 taxes in 2022.

The federal program’s guidelines make it important for parents with child support orders to review the terms of their orders and the terms of the tax credit to ensure compliance with both. The tax credit is for the 2021 tax year, but the IRS will use 2019 or 2020 tax filing data to determine eligibility. Only one parent can claim the tax credit for 2021 and overpayments may need to be repaid to the federal government.

A “What you need to know” document, prepared by a workgroup of the supreme court’s Family Court Improvement Committee, provides background on the Act, timelines for the program, tax issues to consider, and more. The document includes links to the IRS with information about the program. Go to the document online at

<https://www.azcourts.gov/Portals/31/Forms/ARPA070121.pdf>. For this and other family law resources, go to <https://www.azcourts.gov/familylaw/>. Information will also be posted at www.AZCourtHelp.org.

###

To learn more about Arizona's judicial branch, visit www.azcourts.gov.

Follow us on Twitter: [@AZCourts](https://twitter.com/AZCourts) and on Facebook at [@ArizonaSupremeCourt](https://www.facebook.com/ArizonaSupremeCourt).