

Child Tax Credit in 2021 (American Rescue Plan)

In tax year 2021, the Child Tax Credit was affected by the American Rescue Plan and provided historically high levels of relief to families with children. It was not extended by Congress, resulting in much lower tax refunds the following year to many families.

The American Rescue Plan increased the CTC from \$2,000 per child to \$3,000 per child for children over the age of six and from \$2,000 to \$3,600 for children under six. It also raised the age limit from 16 to 17.

The CTC in 2021 was all fully refundable, meaning that a person did not need to have any earned income to claim the CTC and that there was no need of the Additional CTC in 2021.

For 2022, 2023, and 2024, the CTC reverted to pre-2021 levels.

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