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Subject: Tax Credit Information for HUD Assisted Individuals and Families

Tax Credit Information for HUD Assisted Individuals and Families

The Child Tax Credit and Earned Income Tax Credit are large tax refund payments that people can receive when they file a tax return. The 2021 American Rescue Plan expanded who can receive these payments and increased the amount of money available to many families and individuals. These tax credits are not income. Receiving these benefits will not impact eligibility for other federal benefits. The best way to receive these benefits is to file a tax return before April 18, 2022.

Service providers can support their clients in receiving these tax credits by:

- 1. Making sure clients are aware of the credits. See the <u>IRS Toolkit</u>, one pagers and flyers for more information on both tax credits and easy to share resources.
- 2. Connecting clients to free <u>tax filing support</u> online or via IRS Volunteer Income Tax Assistance (VITA) program centers.

Child Tax Credit

The Child Tax Credit was increased and expanded in 2021 by the American Rescue Plan, and most families are eligible to receive the credit for their children. For families with children, the 2021 Child Tax Credit is \$3,000-\$3,600 per kid, based on their age. Many families received about ½ of their CTC in monthly payments in 2021. Families will get the rest of the CTC they are owed by filing taxes this year.

Earned Income Tax Credit

This year, for the first time, the Earned Income Tax Credit (EITC) can be worth up to \$1,500 for some workers without children at home. Additionally, through the American Rescue Plan, previously excluded young and older workers *are* eligible for this credit. Qualified youth experiencing homelessness and former foster youth can receive EITC even if they are full-time students.

Even people who didn't earn enough to be required to file taxes are eligible for the Child Tax Credit and potentially thousands of additional dollars in benefits by filing a 2021 tax return. Help spread the word by telling your friends, family, clients, colleagues, and neighbors to visit ChildTaxCredit.gov to learn more on how to get the Child Tax Credit and/or Earned Income Tax Credit.



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