

IRS Issues Information Letters to Advance Child Tax Credit Recipients and Recipients of the Third Round of Economic Impact Payments

Advance Child Tax Credit

The Internal Revenue Service has begun issuing information letters to ***Advance Child Tax Credit*** recipients starting in December and will begin issuing letters to recipients of the third round of the ***Economic Impact Payments*** at the end of January. Please retain these letters and provide them to us with your 2021 income tax information. Using this information when preparing a tax return can reduce errors and delays in processing which delay refunds.

The IRS will send Letter 6419, related to the 2021 Advanced Child Tax Credit (CTC). The letter will include the total amount of advance CTC payments taxpayers received in 2021 and the number of qualifying children used to calculate the advance payments. Families who received advance payments will need to file a 2021 tax return and compare the advance CTC payments they received in 2021 with the amount of the CTC they can properly claim on their 2021 tax return. Families who received the advance CTC payments can also check the amount of their payments by using the [CTC Update Portal](#) available on IRS.gov.

Recovery Rebate Credit

The ***Economic Impact Payment*** letter will assist you in claiming the ***Recovery Rebate Credit***.

The IRS will begin issuing Letter 6475, Third Economic Impact Payment, to EIP (also known as “Stimulus”) recipients in late January 2022. This letter will assist Economic Impact Payment recipients determine if they are entitled to and should claim the Recovery Rebate Credit on their tax year 2021 tax returns to be filed in 2022. The two previous stimulus checks were received in 2020 and reconciled with the filing of your 2020 tax return last year. Please don’t confuse the 2020 and 2021 payments.

Letter 6475 only applies to the third round of Economic Impact Payments that was issued starting in March 2021 and continued through December 2021. The third round of Economic Impact Payments, including the “***plus-up***” payments, were advance payments of the 2021 Recovery Rebate Credit that would be claimed on a 2021 tax return. Plus-up payments were additional payments the IRS sent to people who received a third Economic Impact Payment based on a 2019 tax return or information received from SSA, RRB or VA; or to people who were eligible for a larger amount based on their 2020 tax return.

Most eligible recipients have already received the payments. However, people who are missing stimulus payments should review the information to determine their eligibility and whether they need to claim a Recovery Rebate Credit for tax year 2020 or 2021.

Like the advance CTC letter, the Economic Impact Payment letters include important information that can assist us to quickly and accurately account for these credits on your tax return. ***Please provide us with these letters with your 2021 Individual Income Tax information.***

This information has been provided by Gold Gerstein Group, LLC.

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