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The IRS is strongly encouraging tax filers to file electronically and to file early. The IRS is also strongly encouraging taxpayers to pay extra attention if they received an Economic Impact Payment or an advance Child Tax Credit last year. The news media has contained numerous stories on filing your 2021 tax return as soon as possible to ensure a speedy refund. However, for some tax payers, they may need to wait to hear from the IRS.

The IRS starting sending Letter 6419, 2021 advance Child Tax Credit (CTC), in late December 2021 and continues to do so. It contains information that can help ensure your return is accurate. The letter will include the total amount of advanced CTC payments a taxpayer received in 2021, as well as the number of qualifying children that were used to calculate their payments. Taxpayers receiving this letter should keep them, do not throw it away. You will need to use the letter to file your 2021 tax return by comparing the advanced payments received last year with the remainder of the CTC you are owed and can claim on your return. Those who received advance CTC payments can check the amount by using the CTC Update Portal at [IRS.gov](https://www.irs.gov/ctc). Eligible taxpayers who received advance Child Tax Credit payments should file a return to receive the second half of the credit. Eligible taxpayers who did not receive advance payments can claim the full credit by filing a return.

Advance Child Tax Credit payments are early payments from IRS of 50% of the estimated amount of the CTC you may properly claim on your 2021 tax return. Taxpayers received payments in line with the number of children they have and their age. For each qualifying child 5 years old or younger, people should receive \$3,600 in total from the CTC. This would have been divided up into \$300 each month last year, starting in July 2021, for a total advance payment of \$1,800. For children ages 6 to 17, taxpayers should have received \$250 each month per child, starting in July 2021, for a total advance credit of \$1,500. The entire tax credit should amount to \$3,000 per child this age.

If you fail to use the information in the letter to properly reconcile credits on your 2021 federal income tax return, the IRS states that the processing of your return will be delayed and this will delay any refund. Already anticipating heavy delays due to backlogs, staff shortages and budget cuts, inaccurate returns could result in substantial delays. IRS recommends filing an accurate return electronically and choosing direct deposit.

The IRS is also sending Letter 6475, Your Third Economic Impact Payment, in late January 2022. Most eligible persons have already received their stimulus payments, but the letter contains important information if payments were missed. The letter will help individuals determine if they are eligible to claim the Recovery Rebate Credit for missed stimulus payments. A 2021 tax return will need to be filed to claim any remaining stimulus payments.

Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances. To the extent this material concerns tax matters, it is not intended or written to be used by a taxpayer for purposes of avoiding penalties that may be imposed by law.

