



The Child Tax Credit For 2022

The American Rescue Plan passed in 2021 was one of the COVID-19 financial assistance packages and temporarily expanded the child tax credit. However, in 2022, the temporary changes are gone, and the older rules will return. Let's revisit the requirements in place for 2022.

QUALIFICATION MATTERS

Children under 17, as of December 31, 2022, qualify for the child tax credit. Along with the age limit, the child must be your son, daughter, stepchild, brother, sister, stepsibling, half-sibling, grandchild, niece, or nephew.

You must also provide at least half of the child's support in 2022; generally, they must have lived with you for at least half the year. And if the child is married, they usually can't file a joint tax return, and they need to be a U.S. citizen or resident alien with a Social Security number.

CREDIT AMOUNT

The child tax credit allows eligible taxpayers to reduce their federal income tax liability by up to \$2,000 per qualifying child. And unlike most tax credits, this one is partially refundable. If the credit exceeds the amount of tax you owe, you may receive up to \$1,400 as a refund.

INCOME LIMITATIONS

The child tax credit is intended to ease the tax burden for low- and moderate-income taxpayers. Single filers with an adjusted gross income greater than \$200,000 and joint filers greater than \$400,000 will begin to see the credit phase-out.

TIME LIMIT

These rules remain in place through 2025 unless Congress takes action to change them before their expiration date. Or they can choose to extend them beyond 2025. Barring any changes, starting in 2026, the child tax credit will revert to the rules before the 2017 changes.



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