

[1] Child Tax Credit: Major changes were made to the child tax credit for 2021 – but they were only temporary. The credit amount was increased, the credit was made fully refundable, children up to 17 years of age qualified, and half the credit amount was paid in advance through monthly payments from July to December last year. President Biden and Congressional Democrats tried to extend these enhancements for at least one more year, but they haven't been able to get that done so far (and probably won't be able to later).

As a result, the child tax credit reverts back to its pre-2021 form for the 2022 tax year. That means the 2022 credit amount drops back down to \$2,000 per child (it was \$3,000 for children 6 to 17 years of age and \$3,600 for children 5 years old and younger for the 2021 tax year). Children who are 17 years old don't qualify for the credit this year, because the former age limit (16 years old) returns. For some lower-income taxpayers, the 2022 credit is only partially refundable (up to \$1,500 per qualifying child), and they must have earned income of at least \$2,500 to take advantage of the credit's limited refundability. And there will be no monthly advance payments of the credit in 2022.