



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

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DRT planning for advanced payments of the Expanded Child Tax Credit

The Department of Finance, Division of Revenue and Taxation (DRT) would like to notify the general public that the implementation plan for the Expanded Child Tax Credit for 2021 pursuant to the American Rescue Plan is currently being developed for a target issuance by July 2021.

From July through December 2021, up to half the credit will be advanced to eligible families. DRT anticipates that the plan will allow estimated advance payments based on the 2020 return, or if not available, the 2019 return.

For that reason, the DRT urges families to file their 2020 return as soon as possible to avoid any delays. This includes many low-and moderate-income families who don't normally file returns. This year, the deadline is **May 17, 2021** to file a return for those with a filing requirement.

DRT will launch an online portal for taxpayers to update information such as a change in the number of qualifying children, marital status, or significant change in income. Additionally, the portal will allow taxpayers to submit or update their banking information for direct deposit payments.

DRT will be issuing further guidance once the Plan is finalized and approved.

Expanded Child Tax Credit for 2021 only

The new law increases the amount of the Child Tax Credit, makes it available for 17-year-old dependents, makes it fully refundable and makes it possible for families to receive up to half of it, in advance, during the last half of 2021. Moreover, families can get the credit, even if they have little or no income from a job, business or other source.

Currently, the credit is worth up to \$2,000 per eligible child. The new law increases it to as much as \$3,000 per child for dependents ages 6 through 17, and \$3,600 for dependents ages 5 and under. The maximum credit is available to taxpayers with a modified AGI of:

- \$75,000 or less for singles,
- \$112,500 or less for heads of household and
- \$150,000 or less for married couples filing a joint return and qualified widows and widowers.

Above these income thresholds, the extra amount above the original \$2,000 credit — either \$1,000 or \$1,600 per child — is reduced by \$50 for every \$1,000 in modified AGI.

Also, the credit is fully refundable for 2021. Before this year, the refundable portion was limited to \$1,400 per child.

Please continue to follow updates from the Department of Finance and the Office of the Governor for the latest information.

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